

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5th Floor
Columbia, South Carolina 29201

Monday, April 19, 2010 – 10:30 a.m.

Commission Hearing Room A

BUSINESS MEETING

1. APPROVAL OF AGENDA OF BUSINESS MEETING
OF APRIL 19, 2010 *CHAIRMAN ROCHE*
2. APPROVAL OF MINUTES OF BUSINESS MEETINGS
OF MARCH 15, 2010 (Tab 1) *CHAIRMAN ROCHE*
3. GENERAL ANNOUNCEMENTS *MR. CANNON*
4. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MR. SMITH*
5. DEPARTMENT DIRECTORS' REPORTS

Administration – Financial Report (Tab 3)
Information Services (Tab 4)
Insurance & Medical Services (Tab 5)
Claims (Tab 6)
Judicial (Tab 7)

MS. HORNSBY
MS. HARTMAN
MR. McCUTCHEON
MR. LINE
MS. CROCKER
6. EXECUTIVE DIRECTOR'S REPORT (Tab 8) *MR. CANNON*
7. OLD BUSINESS *CHAIRMAN ROCHE*
8. NEW BUSINESS *CHAIRMAN ROCHE*

A. Financial Contingency Plan (Tab 9)

B. Request Authorization to Draft Amendments to Regulations (Tab 10)

C. Policy for Accepting Gifts to the Agency (Tab 11)

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9. ADJOURNMENT *CHAIRMAN ROCHE*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

March 15, 2010

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, February 22, 2010 at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in adherence with the Freedom of Information Act. The following Commissioners were present at the meeting:

ANDREA C. ROCHE, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
DAVID W. HUFFSTETLER, COMMISSIONER
G. BRYAN LYNDON, COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER
T. SCOTT BECK, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Betsy Hartman, DSIT, Kristi Hornsby, Director of Administration, Greg Line, Claims Director, Al McCutcheon, Director of Insurance and Medical Services, Virginia Crocker, Judicial Department Director, W.C. Smith, Self-Insurance Director, Amanda Underhill, Senior Application Analyst, and Jennifer Neese, Executive Assistant. Visitors present were Clara Smith and Kenny Harrell, South Carolina Injured Workers' Advocates.

Chairman Roche called the meeting to order at 10:37 a.m.

AGENDA

Commissioner Lyndon moved that the March 15, 2010 agenda be approved. Commissioner Williams seconded the motion and the motion was approved.

APPROVAL OF MINUTES - BUSINESS MEETING OF NOVEMBER 16, 2009

Commissioner Lyndon moved that the minutes of the Business Meeting of February 22, 2010 be approved. Commissioner Williams seconded the motion and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. One (1) prospective member of one (1) fund was presented for approval by the Commission. The application was as follows:

S. C. Home Builders SIF

Allora, LLC

After examination of the application, it was determined that the application complied with the Commission's requirements, and was recommended for approval. Commissioner Lyndon made the motion to approve the applications to self-insure and Commissioner Williams seconded the motion. The motion was unanimously approved.

There was also an application from The Merchants Company to self-insure. Mr. Smith recommended approval of the application with contingencies. Commissioner Wilkerson made the motion to approve the application contingent upon The Merchants Company filing quarterly reports with the Commission. Chairman Roche seconded the motion and the motion was approved.

DIVISION DIRECTORS' REPORTS

The Division Directors presented their reports which were also submitted to the Commission in written form.

Administration Department

Kristi Hornsby presented the financial report for the seven month period ending February 28, 2010. All expenses for February were received and paid timely. There were no unique expenses or situations to report for the month of February. We are on target with our spending benchmark for the year in general fund and earmarked funds. As of February 28th, the Commission has received \$85,476 more than budgeted in the Filing Violation Fee revenue account. Commissioner Huffstetler asked if there was a contingency plan in place with the budget cuts coming next year and if Legislation should take away our bank account. Ms. Hornsby responded currently there was not a plan in place but she would provide a plan at the next business meeting.

Information Services

Betsy Hartman presented the Information Services Department's report. She advised that all of the Commissioner's offices are delivering notices electronically. Commissioner Huffstetler stated there is a greater number of consent orders filed compared to decision and orders and asked if there was any information on putting an image on an image so that consent orders could be signed while the Commissioners were on the road. Ms. Hartman replied that we can put an image on an image but are trying to figure out the most feasible way both financially and technically.

Insurance & Medical Services

Al McCutcheon presented the Insurance and Medical Services Department's report. He announced that the medical fee schedule advisory committee will hold its first meeting today at the Commission. He announced that Carol Busbee was hired to fill the vacant administrative position in Insurance and Medical Services.

Claims Department

Mr. Cannon presented the Claims Department's report. He advised that Mr. Line was holding informal conferences. Mr. Cannon advised that he has asked Mr. Line to provide a metric on the number of fines that are being assessed and processed on a daily basis.

Judicial Department

Virginia Crocker presented the Judicial Department's report. Ms. Crocker recommended amending the 45 Day Brief Request to require transcripts prior to oral argument before Appellate Panels. Pro Se appellants' transcripts will be submitted to the Judicial Department. Commissioner Huffstetler moved to accept staff's recommendation. Commissioner Williams seconded the motion and the motion was approved. Chairman Roche stated that she is still receiving medicals with the Form 40 Motion for Expedited Adjudication which should go to the merits and asked if that could be removed from the Form 40 so that it would only address lump sum and death benefits. There was discussion. Commissioner Wilkerson moved to eliminate the use of the Form 40. Commissioner Williams seconded the motion and the motion was approved.

EXECUTIVE DIRECTOR'S REPORT

Mr. Cannon reported on the following items:

FY 2010-11 State Appropriations Budget

The House approved the General Appropriations budget which included a 16% reduction in our budget. Staff met with members of the Natural Resources and Economic Development subcommittee of the Senate Finance Committee on March 10, 2010 to review the agency budget request for FY 2010-11. Members of the subcommittee are Senators McGill, Senator Anderson and Senator Grooms.

Fines and Assessments Activities

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for FY 2009-10. Also attached are reports from the Insurance and Medical Services and Claims Departments discussing the efforts to assess and collect the fines and judgments.

Legislative Audit Council

Members of the audit team continue with the preliminary audit review activities, which include reviewing financial information, organization charts, policies and procedures, and interviewing Commissioners and various employees.

SCWCEA Medical Seminar

Chairman Roche, Commissioner Beck, Commissioner Wilkerson and Commissioner Williams and the Executive Director participated in the program of the SCWCEA Medical Conference on February 28 through March 2.

Advisory Committee – Medical Fee Schedule

On February 24th the Chairman sent invitations to 22 organizations requesting names of individuals to serve on the Advisory Committee. As of March 10th we received 16 responses. The Committee's first meeting is scheduled for Monday March 15th at 2:00 pm. Mark Arden, Esq. will chair the committee.

NCCI Data Base

We have a business partnership with NCCI to provide access their data base for commercial carrier coverage information. At the request of the Homebuilders Association Self Insurance Fund, we are expanding the access via the NCCI data base to include the self insurance program. NCCI staff provided in-house staff training on March 9-10.

All Employee Meeting

The next all employee meeting is scheduled for March 25, 2010 at 10:30 a.m. in the conference room on the first floor.

OLD BUSINESS

There were no items of New Business.

NEW BUSINESS

Under New Business, Belinda Ellison announced that a luncheon will be held June 25th to celebrate the 75th anniversary of the workers' compensation system.

ADJOURNMENT

Commissioner Beck made the motion to adjourn. Commissioner Wilkerson seconded the motion and the motion was approved.

The March 15, 2010 meeting of the South Carolina Workers' Compensation Commission adjourned at 11:03 a.m.

Reported March 24, 2010
Kandee W. Johnson

State of South Carolina

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Workers' Compensation Commission

MEMORANDUM

To: Commissioners
Gary Cannon
Executive Director

From: W. C. Smith, III, CPCU, ARM
Director, Self-Insurance *WCS*

Date: April 19, 2010

Subject: Applications to Self-Insure

We have received the following applications for 10 prospective members of 2 funds:

New Applicants: **S.C. Home Builders SIF**
Barrette Construction
Beckum Construction Co., Inc
Coastal Granite & Sons
Eladio Dominguez d/b/a Everlasting Const. LLC
H. Preston Walter Construction, LLC
Hudson Construction of Oconee Inc,
Second South Properties & Construction, LLC.
Superior Contractor Services, LLC

Palmetto Timber
Owens Logging
Stephen L. Whittle Logging, LLC

After examination of the various applications, it has been determined that each has complied with the Commissioners requirements and each is recommended for approval.

WCS/cb

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: KRISTI HORNSBY, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING MARCH 31, 2010
DATE: 4/15/2010

The finance report for the nine month period ending March 31, 2010, is attached.

- All expenses for March were received and paid timely.
- There were no unique expenses or situations to report for the month of March.
- We are on target with our spending benchmark for the year in general fund and earmarked funds.

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2009 - 2010 Budget
March 31, 2010

Benchmark 75.00%

STATE APPROPRIATIONS

General Appropriation	\$ 2,540,457		
Less: 4.04% Budget Reduction - Sept 2009	(102,566)		
Less: 5% Budget Reduction - Dec 2009	(121,895)		
General Appropriation	<u>\$ 2,315,996</u>	<u>\$ 1,736,997</u>	75.00%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,786,871	\$ 1,374,464	\$ 412,407	76.9%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	529,125	412,520	116,605	78.0%
Total	\$ 2,315,996	\$ 1,786,984	\$ 529,012	77.2%

OTHER APPROPRIATIONS

EARMARKED

	Budgeted Revenues	Amended Revenues	Received thru 03/31/10	% Received
Training Conference Registration Fee	\$ 12,000	\$ 12,000	\$ 810	6.75%
Sale of Publication and Brochures	11,000	11,000	6,696	60.87%
Workers' Comp Award Review Fee	162,000	162,000	57,500	35.49%
Sale of Photocopies	95,000	95,000	68,067	71.65%
Workers' Compensation Filing Violation Fee	1,150,000	1,299,019	1,710,027	131.64%
Sale of Listings and Labels	70,000	70,000	25,879	36.97%
Workers' Comp Hearing Fee	600,000	600,000	447,525	74.59%
Earmarked Funds - Original Authorization	<u>\$ 2,100,000</u>	<u>\$ 2,249,019</u>	<u>\$ 2,316,504</u>	<u>103.00%</u>
BD100 to Increase Authorization - August 2009		544,787		
BD100 to Increase Authorization - Sept 2009		102,566		
Total Earmarked Revenues + Fund Balance		\$ 2,896,372		

Amendment to Revenue is for 5% Budget Cut

\$ 149,019

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,078,718	\$ 741,718	\$ 337,000	68.8%
Taxable Subsistence	80,000	49,361	30,639	61.7%
Other Operating Expenses	1,392,996	983,802	409,194	70.6%
Employer Contribution	344,658	238,789	105,869	69.3%
Total Earmarked	\$ 2,896,372	\$ 2,013,670	\$ 882,702	69.5%

COMPUTER FUNDS CARRIED FORWARD \$ 261,868

Computer Services - Carry forward \$ 261,868 \$ 151,874 \$ 109,994 58.0%

TOTAL OTHER APPROPRIATIONS **\$ 3,420,108** **\$ 2,165,544** **\$ 992,696** **63.3%**

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
 March 31, 2010

Consolidated

	Year-To-Date : 75.0%							
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,150,244	\$ -	\$ 1,150,244	\$ 94,543	\$ 852,043	74%	\$ -	\$ 298,201
Other Operating Expenditures								
Total Contractual Services	144,616	103,688	248,304	20,384	165,363	67%	-	82,941
Total Supplies & Materials	10,154	26,159	36,313	4,792	26,598	73%	-	9,715
Total Fixed Charges	93,301	66,351	159,652	11,370	123,945	78%	-	35,707
Total Travel	48,394	39,256	87,650	7,906	59,397	68%	-	28,253
Total Other Operating Exp	296,465	235,454	531,919	44,452	375,303	71%	-	156,616
Total Commissioners	\$ 1,446,709	\$ 235,454	\$ 1,682,163	\$ 138,995	\$ 1,227,346	73%	\$ -	\$ 454,817
Administration								
Salaries	\$ 519,136	\$ 1	\$ 519,137	\$ 42,016	\$ 392,160	76%	\$ -	\$ 126,977
Other Operating Expenditures								
Total Contractual Services	120,716	117,420	238,136	17,474	175,038	74%	-	63,098
Total Supplies & Materials	22,310	(485)	21,825	1,718	15,618	72%	-	6,207
Total Fixed Charges	93,507	42,806	136,313	8,714	108,587	80%	-	27,726
Total Travel	8,195	2,326	10,521	806	9,587	91%	-	934
Total Other Operating Exp	244,728	162,067	406,795	28,712	308,830	76%	-	97,965
Total Administration	\$ 763,864	\$ 162,068	\$ 925,932	\$ 70,728	\$ 700,990	76%	\$ -	\$ 224,942
Claims								
Salaries	\$ 390,951	\$ (20,068)	\$ 370,883	\$ 28,947	\$ 284,022	77%	\$ -	\$ 86,861
Other Operating Expenditures								
Total Contractual Services	51,092	11,500	62,592	4,115	26,320	42%	-	36,272
Total Supplies & Materials	20,000	2,138	22,138	2,568	16,529	75%	-	5,609
Total Fixed Charges	77,555	1,134	78,689	5,683	59,947	76%	-	18,742
Total Travel	1,500	250	1,750	323	862	49%	-	888
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Exp	150,147	16,051	166,198	12,689	104,473	63%	213	61,512
Total Claims	\$ 541,098	\$ (4,017)	\$ 537,081	\$ 41,636	\$ 388,495	72%	\$ 213	\$ 148,373
Insurance and Medical Services								
Salaries	\$ 485,888	\$ 18,624	\$ 504,512	\$ 36,761	\$ 355,449	70%	\$ -	\$ 149,063
Other Operating Expenditures								
Total Contractual Services	52,952	11,537	64,489	14,300	50,296	78%	-	14,193
Total Supplies & Materials	19,500	1,600	21,100	1,499	11,011	52%	-	10,089
Total Fixed Charges	61,626	752	62,378	4,069	47,561	76%	-	14,817
Total Travel	-	100	100	-	25	25%	-	75
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Exp	134,078	15,018	149,096	19,868	109,708	74%	213	39,175
Total Insurance and Medical Services	\$ 619,966	\$ 33,642	\$ 653,608	\$ 56,629	\$ 465,157	71%	\$ 213	\$ 188,238
Judicial								
Salaries	\$ 378,057	\$ 22,756	\$ 400,813	\$ 31,725	\$ 281,869	70%	\$ -	\$ 118,944
Other Operating Expenditures								
Total Contractual Services	48,148	400	48,548	2,137	18,230	38%	-	30,318
Total Supplies & Materials	20,000	2,024	22,024	4,139	16,120	73%	-	5,904
Total Fixed Charges	66,846	120	66,966	4,832	49,872	74%	-	17,094
Total Travel	750	700	1,450	-	840	58%	-	610
Total Other Operating Exp	135,744	3,244	138,988	11,108	85,062	61%	-	53,926
Total Judicial	\$ 513,801	\$ 26,000	\$ 539,801	\$ 42,833	\$ 366,931	68%	\$ -	\$ 172,870
Totals By Departments								
Department Totals								
Commissioners	\$ 1,446,709	\$ 235,454	\$ 1,682,163	\$ 138,995	\$ 1,227,346	73%	\$ -	\$ 454,817
Administration	763,864	162,068	925,932	70,728	700,990	76%	-	224,942
Claims	541,098	(4,017)	537,081	41,636	388,495	72%	213	148,373
Insurance & Medical	619,966	33,642	653,608	56,629	465,157	71%	213	188,238
Judicial	513,801	26,000	539,801	42,833	366,931	68%	-	172,870
Total Other Operating Exp	\$ 3,885,438	\$ 453,147	\$ 4,338,585	\$ 350,821	\$ 3,148,919	73%	\$ 426	\$ 1,189,240
Employer Contributions	755,019	118,764	873,783	64,990	651,309	75%	-	222,474
Total General & Earmarked Funds	\$ 4,640,457	\$ 571,911	\$ 5,212,368	\$ 415,811	\$ 3,800,228	73%	\$ 426	\$ 1,411,714

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
March 31, 2010

General Appropriation

				Year-To-Date : 75.0%				
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date to Date	%	Encumb	Balance
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 9,631	\$ 86,675	75%	\$ -	\$ 28,892
Commissioner	664,602	-	664,602	55,384	498,451	75%	-	166,151
Classified Employees	290,075	-	290,075	24,173	217,556	75%	-	72,519
Total Commissioners	1,070,244	-	1,070,244	89,188	802,682	75%	-	267,562
Administration								
Salaries								
Director	\$ 92,342	\$ -	\$ 92,342	\$ 7,846	\$ 68,804	75%	\$ -	\$ 23,538
Classified Positions	226,768	(13,259)	213,509	16,572	163,792	77%	-	49,717
Total Administration	319,110	(13,259)	305,851	24,418	232,596	76%	-	73,255
Claims								
Salaries								
Classified Positions	\$ 161,668	\$ (29,441)	\$ 132,227	\$ 9,000	\$ 105,227	80%	\$ -	\$ 27,000
Unclassified Positions	5,075	-	5,075	-	5,075	100%	-	-
Terminal Leave	11,040	-	11,040	-	11,040	100%	-	-
Total Claims	177,783	(29,441)	148,342	9,000	121,342	82%	-	27,000
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 232,543	\$ (54,727)	\$ 177,816	\$ 8,587	\$ 148,691	84%	\$ -	\$ 29,125
Total Ins and Medical Svcs	232,543	(54,727)	177,816	8,587	148,691	84%	-	29,125
Judicial								
Salaries								
Classified Positions	\$ 139,884	\$ (55,266)	\$ 84,618	\$ 5,155	\$ 69,153	82%	\$ -	\$ 15,465
Total Judicial	139,884	(55,266)	84,618	5,155	69,153	82%	-	15,465
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 89,188	\$ 802,682	75%	\$ -	\$ 267,562
Administration	319,110	(13,259)	305,851	24,418	232,596	76%	-	73,255
Claims	177,783	(29,441)	148,342	9,000	121,342	82%	-	27,000
Insurance & Medical	232,543	(54,727)	177,816	8,587	148,691	84%	-	29,125
Judicial	139,884	(55,266)	84,618	5,155	69,153	82%	-	15,465
Total Departmental Expend	\$ 1,939,564	\$ (152,693)	\$ 1,786,871	\$ 136,348	\$ 1,374,464	77%	\$ -	\$ 412,407
Employer Contributions	600,893	(71,768)	529,125	35,980	412,520	78%	-	116,605
Total General Fund Appropriations	\$ 2,540,457	\$ (224,461)	\$ 2,315,996	\$ 172,328	\$ 1,786,984	77%	\$ -	\$ 529,012

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
March 31, 2010

Earmarked Funds

	Year-To-Date : 75.0%							
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 5,355	\$ 49,361	62%	\$ -	\$ 30,639
Total Salaries	80,000	-	80,000	5,355	49,361	62%	-	30,639
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	-	700	700	-	496	71%	-	204
Copying Equipment Service	-	200	200	-	135	68%	-	65
Print Pub Annual Reports	-	28	28	-	28	100%	-	-
Data Processing Services	43,850	25,054	68,904	3,279	23,361	34%	-	45,543
Freight Express Delivery	292	708	1,000	-	208	21%	-	792
Telephone	2,503	1,997	4,500	429	3,268	73%	-	1,232
Cellular Phone Service	5,847	6,153	12,000	787	7,648	64%	-	4,352
Legal Services	91,832	68,168	160,000	15,826	129,628	81%	-	30,372
Other Professional Services	292	580	872	63	528	61%	-	344
Other Contractual Services	-	100	100	-	63	63%	-	37
Total Contractual Services	144,616	103,688	248,304	20,384	165,363	67%	-	82,941
Supplies & Materials								
Office Supplies	2,923	4,077	7,000	3,096	7,098	101%	-	(98)
Copying Equipment	-	2,500	2,500	410	2,378	95%	-	122
Printing	-	1,750	1,750	183	1,101	63%	-	649
Photo & Visual Supplies	-	214	214	-	214	100%	-	-
Data Processing Supplies	-	649	649	-	67	10%	-	582
Postage	7,231	15,769	23,000	1,034	15,418	67%	-	7,582
Communication Supplies	-	50	50	24	24	48%	-	26
Maint/Janitorial Supplies	-	50	50	5	44	88%	-	6
Gasonline	-	100	100	40	40	40%	-	60
Other Supplies	-	1,000	1,000	-	214	21%	-	786
Total Supplies & Materials	10,154	26,159	36,313	4,792	26,598	73%	-	9,715
Fixed Charges								
Rental-Cont Rent Payment	2,670	2,130	4,800	497	3,287	68%	-	1,513
Rent-Non State Owned Property	86,859	62,891	149,750	10,873	116,018	77%	-	33,732
Rent-Other	139	111	250	-	213	85%	-	37
Insurance-State	3,633	-	3,633	-	3,633	100%	-	-
Insurance-Non State	-	169	169	-	169	100%	-	-
Fees & Fines	-	50	50	-	50	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	575	58%	-	425
Total Fixed Charges	93,301	66,351	159,652	11,370	123,945	78%	-	35,707
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	650	650	45	206	32%	-	444
In State - Auto Mileage	4,172	3,328	7,500	707	7,078	94%	-	422
In State - Subsistence Allowance	13,906	11,094	25,000	3,168	20,968	84%	-	4,032
Out State - Meals	278	222	500	-	118	24%	-	382
Out State - Auto Mileage	1,113	887	2,000	-	744	37%	-	1,256
Leased Car	28,925	23,075	52,000	3,986	30,283	58%	-	21,717
Total Travel	48,394	39,256	87,650	7,906	59,397	68%	-	28,253
Total Other Operating Expenditures	296,465	235,454	531,919	44,452	375,303	71%	-	156,616
Total Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 49,807	\$ 424,664	69%	\$ -	\$ 187,255

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
 March 31, 2010

Earmarked Funds

	Year-To-Date : 75.0%							
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Administration								
Salaries								
Classified Positions	\$ 181,081	\$ 13,260	\$ 194,341	\$ 17,598	\$ 140,619	72%	\$ -	\$ 53,722
Temporary Employees	2,535	-	2,535	-	2,535	100%	-	-
Terminal Leave	16,410	-	16,410	-	16,410	100%	-	-
Total Salaries	200,026	13,260	213,286	17,598	159,564	75%	-	53,722
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	3,754	1,150	4,904	-	4,038	82%	-	866
Print/Bind/Advertisement	6,071	(1,421)	4,650	-	2,612	56%	-	2,038
Print Pub Annual Reports	-	22	22	-	22	100%	-	-
Data Processing Services	68,435	80,985	149,420	12,959	137,603	92%	-	11,817
Freight Express Delivery	14,000	1,500	15,500	10	15,195	98%	-	305
Telephone	2,884	1,109	3,993	333	2,831	71%	-	1,162
Cellular Phone Service	744	1,181	1,925	175	1,356	70%	-	569
Education & Training Services	-	1,000	1,000	500	500	50%	-	500
Attorney Fees	24,283	28,894	53,177	3,389	8,318	16%	-	44,859
Audit Acct Finance	100	-	100	-	99	99%	-	1
Catered Meals	-	500	500	-	243	49%	-	257
Other Professional Services	-	2,500	2,500	108	1,776	71%	-	724
Other Contractual Services	445	-	445	-	445	100%	-	-
Total Contractual Services	120,716	117,420	238,136	17,474	175,038	74%	-	63,098
Supplies & Materials								
Office Supplies	15,177	(6,886)	8,291	496	6,098	74%	-	2,193
Subscriptions	-	200	200	-	105	53%	-	95
Copying Equipment	759	2,000	2,759	360	2,616	95%	-	143
Printing	3,339	(175)	3,164	195	1,576	50%	-	1,588
Data Processing Supplies	-	75	75	-	19	25%	-	56
Postage	3,035	4,065	7,100	628	5,066	71%	-	2,034
Maint/Janitorial Supplies	-	61	61	6	51	84%	-	10
Promotional Supplies	-	75	75	33	33	44%	-	42
Other Supplies	-	100	100	-	54	54%	-	46
Total Supplies & Materials	22,310	(485)	21,825	1,718	15,618	72%	-	6,207
Fixed Charges								
Rental-Copying Equipment	-	1,000	1,000	-	856	86%	-	144
Rental-Cont Rent Payment	3,642	1,337	4,979	207	3,608	72%	-	1,371
Rent-Non State Owned Property	75,108	32,142	107,250	7,035	83,901	78%	-	23,349
Rent-Other	225	-	225	78	823	366%	-	(598)
Insurance-State	7,490	-	7,490	-	7,490	100%	-	-
Insurance-Non State	-	134	134	-	134	100%	-	-
Dues and Memberships	-	3,985	3,985	735	3,985	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	863	86%	-	137
Sales Tax Paid	7,042	3,208	10,250	659	6,927	68%	-	3,323
Total Fixed Charges	93,507	42,806	136,313	8,714	108,587	80%	-	27,726
Travel (Includes Leased Car)								
In State - Meals Non-Reportable	-	21	21	21	21	0%	-	-
In State - Registration Fees	-	-	-	54	(11)	0%	-	11
Leased Car	8,195	2,305	10,500	731	9,577	91%	-	923
Total Travel	8,195	2,326	10,521	806	9,587	91%	-	934
Total Other Operating Expenditures	244,728	162,067	406,795	28,712	308,830	76%	-	97,965
Total Administration	\$ 444,754	\$ 175,327	\$ 620,081	\$ 46,310	\$ 468,394	76%	\$ -	\$ 151,687

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
March 31, 2010

Earmarked Funds

	Year-To-Date : 75.0%							
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 213,168	\$ 7,873	\$ 221,041	\$ 19,632	\$ 160,949	73%	\$ -	\$ 60,092
Temporary Positions	-	1,500	1,500	315	1,731	115%	-	(231)
Total Salaries	213,168	9,373	222,541	19,947	162,680	73%	-	59,861
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	-	200	200	-	29	15%	-	171
Print Pub Annual Reports	-	22	22	-	22	100%	-	-
Data Processing Services	47,592	(4,722)	42,870	2,108	17,042	40%	-	25,828
Freight Express Delivery	500	-	500	-	301	60%	-	199
Telephone	-	3,000	3,000	205	1,593	53%	-	1,407
Temporary Services	-	13,000	13,000	1,802	7,265	56%	-	5,735
Other Professional Services	3,000	-	3,000	-	68	2%	-	2,932
Total Contractual Services	51,092	11,500	62,592	4,115	26,320	42%	-	36,272
Supplies & Materials								
Office Supplies	7,000	(2,587)	4,413	593	2,866	65%	-	1,547
Copying Equipment	-	2,000	2,000	324	1,882	94%	-	118
Printing	-	2,500	2,500	145	1,665	67%	-	835
Data Processing Supplies	-	75	75	-	10	13%	-	65
Postage	13,000	-	13,000	1,500	10,033	77%	-	2,967
Maint/Janitorial Supplies	-	50	50	6	36	72%	-	14
Other Supplies	-	100	100	-	37	37%	-	63
Total Supplies & Materials	20,000	2,138	22,138	2,568	16,529	75%	-	5,609
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	246	1,266	51%	-	1,234
Rent-Non State Owned Property	73,750	-	73,750	5,437	56,799	77%	-	16,951
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,080	-	1,080	-	1,080	100%	-	-
Insurance-Non State	-	134	134	-	134	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	455	46%	-	545
Total Fixed Charges	77,555	1,134	78,689	5,683	59,947	76%	-	18,742
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	150	150	75	169	113%	-	(19)
In State - Lodging	-	250	250	160	376	150%	-	(126)
In State - Auto Mileage	1,500	(500)	1,000	75	257	26%	-	743
Reportable Meals	-	100	100	13	46	46%	-	54
Leased Car	-	250	250	-	14	6%	-	236
Total Travel	1,500	250	1,750	323	862	49%	-	888
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment - Copying	-	213	213	-	-	0%	213	-
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Expenditures	150,147	16,051	166,198	12,689	104,473	63%	213	61,512
Total Claims	\$ 363,315	\$ 25,424	\$ 388,739	\$ 32,636	\$ 267,153	69%	\$ 213	\$ 121,373

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
March 31, 2010

Earmarked Funds

	Year-To-Date : 75.0%							
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 212,767	\$ 47,227	\$ 259,994	\$ 23,389	\$ 159,996	62%	\$ -	\$ 99,998
Temporary Employees	15,018	(5)	15,013	1,252	11,263	75%	-	3,750
Special Contractual Employee	25,560	26,124	51,684	3,533	35,494	69%	-	16,190
Terminal Leave Payout	-	5	5	-	5	100%	-	-
Total Salaries	253,345	73,351	326,696	28,174	206,758	63%	-	119,938
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	-	200	200	-	32	16%	-	168
Copying Equipment Service	-	1,000	1,000	-	881	88%	-	119
Print/Bind/Advertisement	-	1,000	1,000	-	591	59%	-	409
Print Pub Annual Report	-	24	24	-	24	100%	-	-
Data Processing Services	49,952	(3,000)	46,952	3,701	32,617	69%	-	14,335
Telephone	2,750	(124)	2,626	201	1,503	57%	-	1,123
Legal Services	-	7,500	7,500	7,500	7,500	100%	-	-
Temporary Services	-	4,100	4,100	2,768	6,088	148%	-	(1,988)
Other Professional Services	250	637	887	130	950	107%	-	(63)
Other Contractual Services	-	200	200	-	110	55%	-	90
Total Contractual Services	52,952	11,537	64,489	14,300	50,296	78%	-	14,193
Supplies & Materials								
Office Supplies	7,000	(2,500)	4,500	568	2,761	61%	-	1,739
Copying Equipment	-	3,000	3,000	358	2,080	69%	-	920
Printing	-	1,500	1,500	160	719	48%	-	781
Data Processing Supplies	-	1,000	1,000	-	476	48%	-	524
Postage	12,500	(1,575)	10,925	407	4,888	45%	-	6,037
Maintenance/Janitorial Supplies	-	75	75	6	46	61%	-	29
Other Supplies	-	100	100	-	41	41%	-	59
Total Supplies & Materials	19,500	1,600	21,100	1,499	11,011	52%	-	10,089
Fixed Charges								
Rental-Cont Rent Payment	2,500	(396)	2,104	227	1,459	69%	-	645
Rent-Non State Owned Property	56,500	-	56,500	3,838	43,618	77%	-	12,882
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,101	-	1,101	-	1,101	100%	-	-
Insurance-Non State	-	148	148	-	148	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	503	50%	-	497
Sales Tax Paid	1,300	-	1,300	4	519	40%	-	781
Total Fixed Charges	61,626	752	62,378	4,069	47,561	76%	-	14,817
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	100	100	-	25	25%	-	75
Total Travel	-	100	100	-	25	25%	-	75
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment Data Processing- Copyin	-	213	213	-	-	0%	213	-
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Expenditures	134,078	15,018	149,096	19,868	109,708	74%	213	39,175
Total Insurance and Medical Services	\$ 387,423	\$ 88,369	\$ 475,792	\$ 48,042	\$ 316,466	67%	\$ 213	\$ 159,113

South Carolina Workers' Compensation Commission
2009 - 2010 Budget
 March 31, 2010

Earmarked Funds

				Year-To-Date : 75.0%				
	Original Budget	Budget Amendments	Amended Budget	Expended MARCH	Year to Date	%	Encumb	Balance
Judicial								
Salaries								
Classified Positions	\$ 238,021	\$ 77,880	\$ 315,901	\$ 26,570	\$ 212,422	67%	\$ -	\$ 103,479
Terminal Leave	152	142	294	-	294	100%	-	-
Total Salaries	238,173	78,022	316,195	26,570	212,716	67%	-	103,479
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	-	180	180	-	26	14%	-	154
Print Pub Annual Reports	-	20	20	-	20	100%	-	-
Data Processing Services	43,923	(150)	43,773	1,858	15,487	35%	-	28,286
Freight Express Delivery	-	150	150	-	30	20%	-	120
Telephone	3,000	-	3,000	184	1,766	59%	-	1,234
Cellular Phone Service	1,225	-	1,225	95	840	69%	-	385
Other Professional Services	-	200	200	-	61	31%	-	139
Total Contractual Services	48,148	400	48,548	2,137	18,230	38%	-	30,318
Supplies & Materials								
Office Supplies	7,000	(2,225)	4,775	2,489	4,101	86%	-	674
Copying Equipment	-	1,849	1,849	290	1,869	101%	-	(20)
Printing	-	2,500	2,500	130	1,596	64%	-	904
Data Processing Supplies	-	75	75	-	9	12%	-	66
Postage	13,000	(300)	12,700	1,225	8,480	67%	-	4,220
Maintenance/Janitorial Supplies	-	50	50	5	32	64%	-	18
Other Supplies	-	75	75	-	33	44%	-	42
Total Supplies & Materials	20,000	2,024	22,024	4,139	16,120	73%	-	5,904
Fixed Charges								
Rental-Cont Rent Payment	1,750	-	1,750	35	402	23%	-	1,348
Rent-Non State Owned Property	63,750	-	63,750	4,797	48,016	75%	-	15,734
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,121	-	1,121	-	1,121	100%	-	-
Insurance-Non State	-	120	120	-	120	100%	-	-
Total Fixed Charges	66,846	120	66,966	4,832	49,872	74%	-	17,094
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	-	100	100	-	25	25%	-	75
In State - Lodging	-	250	250	-	76	30%	-	174
In State - Auto Mileage	-	700	700	-	577	82%	-	123
Out State - Auto Mileage	750	(350)	400	-	162	41%	-	238
Total Travel	750	700	1,450	-	840	58%	-	610
Total Other Operating Expenditures	135,744	3,244	138,988	11,108	85,062	61%	-	53,926
Total Judicial	\$ 373,917	\$ 81,266	\$ 455,183	\$ 37,678	\$ 297,778	65%	\$ -	\$ 157,405
Earmarked Funds								
Department Totals								
Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 49,807	\$ 424,664	69%	\$ -	\$ 187,255
Administration	444,754	175,327	620,081	46,310	468,394	76%	-	151,687
Claims	363,315	25,424	388,739	32,636	267,153	69%	213	121,373
Insurance & Medical	387,423	88,369	475,792	48,042	316,466	67%	213	159,113
Judicial	373,917	81,266	455,183	37,678	297,778	65%	-	157,405
Total Salaries & Other Operating	\$ 1,945,874	\$ 605,840	\$ 2,551,714	\$ 214,473	\$ 1,774,455	70%	\$ 426	\$ 776,833
Employer Contributions	154,126	190,532	344,658	29,010	238,789	69%	-	105,869
Total Earmarked Funds	\$ 2,100,000	\$ 796,372	\$ 2,896,372	\$ 243,483	\$ 2,013,244	70%	\$ 426	\$ 882,702
Capital / Computer Project Carryforward	\$ 261,868	\$ -	\$ 261,868	\$ 69,253	\$ 151,874	58%	\$ -	\$ 109,994

WCC IT Projects Status Report

Period	March	Status Key:	Not Started	On Track	Timing
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Projects							
#	Key Projects	Sub Project	Regulation	Due Date	%	Lead	Issues / Comments
1	Palmetto Backfile Conversion			May 2010		Amanda	
2	WCC Closed File Scanning	Train Claims on verification		July 2010		Amanda	
3	Phase II - Progress EDI/eCase	TPA's - attached to claim not carrier code modifications		February 2010	0%	Duane	Issue developed with TPA Claims Adjusters. Need technical fix to tie the TPA and adjuster to the claim instead of the carrier. Need to set goal for completion. Based on number of registrants or completion of code.
	eCase Enhancements	Additional status display and Attorney add feature		May 2010		Duane	
4	Phase II - Coverage EDI			February 2010	95%	IT Staff	Daily Transactions being loaded automatically. Fines to be assessed daily to be turned on in the next month. Training Coverage staff scheduled in May.
5	Phase II - Claims EDI			December 2010	0%	IT Staff	Claims testing on hold to focus on coverage EDI. eCase implementation/Fixes and Electronic service initiatives
6A	Electronic Service Initiatives	Electronic Service Initiatives- Decision Orders	67-213	July 2010		Amanda	
6b	Electronic Service Initiatives - Notices	Electronic Service Initiatives- Hearing Notices	67-213	March 2010		Amanda	
		Electronic Service Initiatives- Appeal Notices	67-213	July 2010	15%	Amanda	
		Electronic Service Initiatives- IC Notices	67-213	July 2010	0%	Amanda	
6c	Electronic Service Initiatives - Orders	Electronic Service Initiatives- Fine Orders Template	67-213	July 2010	0%	Amanda	
6d	Electronic Service Initiatives - Orders	Electronic Service Initiatives- Administrative Orders Template	67-213	July 2010	0%	TBD	

Department of Insurance & Medical Services
South Carolina Workers' Compensation Commission
April 2010 Monthly Report

	July	August	September	October	November	December	January	February	March	April	May	June	2009 - 2010
SELF INSURANCE													
New Self-Insurers Approved	15	6	9	6	5	9	16	9	2				77
Self Insurance Tax Collected	\$17,377	\$206,283	\$1,608,330	\$14,376	\$63,799	\$321,117	\$101,279	\$86,408	\$1,979,522				\$4,398,491
COMPLIANCE													
Cases Active at Beginning of Period	334	391	418	396	357	318	297	239	419				
Cases Initiated	117	103	112	119	102	103	121	253	155				1185
Cases Closed	60	76	134	158	141	124	179	73	142				1087
Cases Active at End of Period	391	418	396	357	318	297	239	419	432				
Total Fines Assessed	\$136,475	\$206,976	\$82,567	\$112,195	\$68,532	\$95,485	\$93,571	\$126,085	\$118,040				\$1,039,926
- Employer wage / coverage screening	\$86,615	\$72,754	\$42,980	\$83,050	\$45,800	\$80,140	\$84,940	\$60,465	\$107,460				\$664,204
- Underlying claim / uninsured employer	\$38,160	\$105,022	\$39,587	\$23,795	\$17,122	\$15,345	\$8,631	\$60,620	\$10,580				\$318,862
- Random Investigation	\$11,700	\$29,200	\$0	\$5,350	\$5,610	\$0	\$0	\$5,000	\$0				\$56,860
Total Fines Collected	\$25,442	\$46,681	\$55,110	\$46,299	\$45,200	\$50,660	\$31,055	\$50,205	\$47,125				\$397,777
- Employer wage / coverage screening	\$22,867	\$37,546	\$36,470	\$20,450	\$29,900	\$30,575	\$23,525	\$36,750	\$42,775				\$280,858
- Underlying claim / uninsured employer	\$1,375	\$5,485	\$11,340	\$16,099	\$8,400	\$20,085	\$7,530	\$7,975	\$2,500				\$80,789
- Random Investigation	\$1,200	\$3,650	\$7,300	\$9,750	\$6,900	\$0	\$0	\$5,480	\$1,850				\$36,130
Fines Waived/Rescinded/Uncollectable	\$57,869	\$136,501	\$79,707	\$76,298	\$63,227	\$33,330	\$55,831	\$35,650	\$63,960				\$602,373
- Waived	\$57,869	\$98,212	\$50,160	\$57,398	\$35,775	\$25,280	\$34,751	\$20,300	\$10,760				\$390,505
- Rescinded	\$0	\$38,289	\$23,707	\$15,250	\$27,452	\$8,050	\$21,080	\$15,350	\$53,200				\$202,378
- Uncollectable	\$0	\$0	\$5,840	\$3,650	\$0	\$0	\$0	\$0	\$0				\$9,490
COVERAGE & ACCIDENT RPTG													
Employers Withdrawing From the Act	3	5	5	7	3	3	6	1	6				39
Coverage Fines Assessed	\$47,800	\$55,900	\$46,200	\$48,800	\$54,800	\$41,200	\$35,600	\$123,800	\$0				\$454,100
Coverage Fines Collected	\$54,200	\$29,600	\$56,700	\$43,000	\$36,400	\$35,765	\$36,890	\$32,700	\$40,091				\$365,346
Coverage Fines Waived	\$7,300	\$5,400	\$8,400	\$8,000	\$7,100	\$15,400	\$14,300	\$11,390	\$15,090				\$92,380
Number of 12As Filed EDI	1,636	1,610	1,757	1,559	1,454	1,349	1,463	1,447	1,770				14,045
Number of 12As Filed Manually	630	432	491	462	382	371	396	378	359				3,901
Total Number of WCC Files Created	2,266	2,042	2,248	2,021	1,836	1,720	1,859	1,825	2,129				17,946
Number of Fatalities Filed on 12As	9	9	5	12	11	8	5	16	3				78
MEDICAL SERVICES													
Bills Pending at Beginning of Period	249	196	51	44	27	53	37	83	39				
Bills Received	275	38	77	51	86	46	118	94	92				877
Bills to be Reviewed	524	234	128	95	113	99	155	177	131				
Bills Reviewed this Month	328	183	84	68	60	62	72	138	94				1089
Bills Pending at End of Period	196	51	44	27	53	37	83	39	37				

CLAIMS DEPARTMENT REPORT

STATISTICS FOR FISCAL YEAR 2009-2010

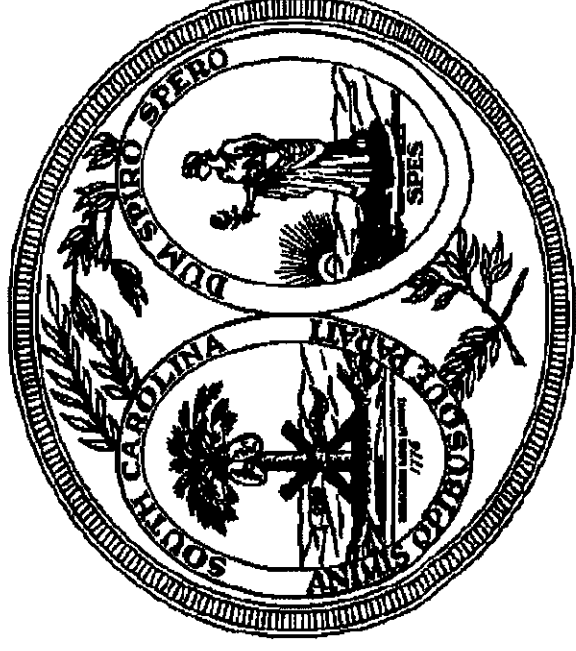
Prepared April 12, 2010

I. Claims Services Division

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15 for TT/TP	2,165	2,218	2,204	1,979	1,829	1,742	1,906	1,957	2,426				18,426
Forms 16 for PP/Disf	68	496	376	250	335	367	251	268	332				2,743
Forms 18	4,099	4,958	4,596	5,304	3,930	4,690	5,271	4,778	6,201				43,827
Forms 20	1,257	1,356	1,069	1,306	1,133	1,146	969	907	1,766				10,909
Form 50 Claims Only	277	290	235	274	295	160	301	258	296				2,386
Form 61	811	815	713	798	716	764	901	705	866				7,089
Letters of Rep	161	249	235	249	423	503	977	149	144				3,090
Clinchers	860	903	778	943	743	871	925	860	956				7,839
Third Party Settlements	20	18	15	13	13	14	17	20	19				149
SSA Requests for Info	127	111	125	123	84	114	122	127	73				1,006
Cases Closed	2,141	2,213	2,275	2,780	2,201	2,300	2,174	2,485	3,014				21,583
Cases Reviewed	2,192	2,016	2,186	2,087	2,163	2,017	1,896	1,924	1,814				18,295

CLAIMS DEPARTMENT REPORT												
STATISTICS FOR FISCAL YEAR 2009-2010												
Prepared April 12, 2010												
II. Fines Assessed by Claims Department												
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Number Assessed	317	828	211	573	134	544	126	1,644	1,618			5,995
Number Rescinded	133	64	88	46	98	67	68	166	323			1,053
Number Reduced	21	22	19	12	31	16	12	19	52			204
Number Paid	498	531	478	304	266	279	331	521	1,015			4,223
Number Outstanding	1,856	2,089	1,634	1,857	1,627	1,825	1,552	2,167	2,447			2,447
Total Amt. Assessed	\$77,100	\$156,600	\$54,350	\$119,600	\$43,150	\$117,800	\$31,800	\$355,550	\$336,100			\$1,292,050
Total Amt. Rescinded	\$27,636	\$15,050	\$18,550	\$10,000	\$19,000	\$13,200	\$15,850	\$31,070	\$62,075			\$212,431
Total Amt. Reduced	\$2,750	\$3,950	\$1,700	\$1,300	\$4,800	\$3,550	\$3,275	\$3,100	\$5,750			\$30,175
Total Amt. Paid	\$100,383	\$119,853	\$100,026	\$66,545	\$61,627	\$54,390	\$66,200	\$103,600	\$203,410			\$876,034
Total Outstanding	\$341,419	\$359,166	\$293,240	\$334,995	\$292,718	\$339,378	\$285,853	\$492,483	\$557,348			\$557,348

SCWCC Judicial Report



March 2010

SCWCC Judicial Report

District 1 (Greenville)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Huffstetler	113	16	15	4	32	13	1
Aug-09	Huffstetler	91	15	15	4	28	17	2
Sep-09	Barden	105	20	19	2	49	15	1
Oct-09	Barden	125	33	18	2	49	20	0
Nov-09	Beck	112	12	9	5	30	10	1
Dec-09	Beck	113	17	17	7	39	12	2
Jan-10	Wilkerson	115	23	12	5	28	24	0
Feb-10	Wilkerson	95	28	23	3	54	13	0
Mar-10	Lyndon	118						
Apr-10								
May-10								
Jun-10								
Totals		987	164	128	32	309	124	7
FY 2009-2010								

District 2 (Anderson)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Barden	102	19	25	4	46	11	0
Aug-09	Barden	68	24	26	1	47	19	4
Sep-09	Beck	73	14	30	11	54	13	0
Oct-09	Beck	86	11	22	4	40	17	2
Nov-09	Lyndon	91	21	32	8	42	11	1
Dec-09	Lyndon	132	31	29	9	46	11	1
Jan-10	Williams	94	28	13	3	44	11	0
Feb-10	Williams	111	40	23	3	44	8	0
Mar-10	Huffstetler	87						
Apr-10								
May-10								
Jun-10								
Totals	FY 2009-2010	844	188	200	43	363	101	8

SCWCC Judicial Report

District 3 (Orangeburg)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admn. Orders Served	Clincher Conf.		Clinger Conf. Disapproved
							Approved	Disapproved	
Jul-09	Wilkerson	105	15	26	4	40	6	0	
Aug-09	Wilkerson	73	23	26	0	34	16	0	
Sep-09	Huffstetler	101	29	10	4	52	14	0	
Oct-09	Huffstetler	126	22	28	4	72	15	0	
Nov-09	Williams	108	29	27	5	55	6	0	
Dec-09	Williams	109	20	26	4	50	15	0	
Jan-10	Lyndon	125	21	23	7	48	9	0	
Feb-10	Lyndon	127	37	36	5	42	16	0	
Mar-10	Roche	113							
Apr-10									
May-10									
Jun-10									
Totals FY 2009-2010		987	196	202	33	393	97	0	

District 4 (Charleston)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Willaims	199	41	20	4	59	13	0
Aug-09	Willaims	95	39	26	5	44	14	0
Sep-09	Roche	143	15	21	10	33	11	0
Oct-09	Roche	150	25	22	2	80	9	1
Nov-09	Wilkerson	179	24	22	6	45	12	0
Dec-09	Wilkerson	141	28	30	6	74	10	0
Jan-10	Beck	136	17	6	6	30	4	1
Feb-10	Beck	158	25	15	5	56	15	2
Mar-10	Williams	143						
Apr-10								
May-10								
Jun-10								
Totals	1344	214	162	44	421	88	4	

SCWCC Judicial Report

District 5 (Florence)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Roche	156	26	17	3	41	17	0
Aug-09	Roche	99	25	7	0	19	22	0
Sep-09	Lyndon	107	41	27	7	38	18	1
Oct-09	Lyndon	162	30	33	7	41	14	1
Nov-09	Barden	112	22	32	7	57	3	3
Dec-09	Barden	120	21	17	0	35	10	3
Jan-10	Huffstetler	138	23	27	6	69	14	4
Feb-10	Huffstetler	132	18	20	6	52	17	1
Mar-10	Wilkerson	133						
Apr-10								
May-10								
Jun-10								
Totals FY 2009-2010		1159	206	180	36	352	115	13

District 6 (Spartanburg)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Lyndon	140	32	21	7	42	27	0
Aug-09	Lyndon	99	23	26	7	39	24	1
Sep-09	Williams	162	41	29	3	48	20	2
Oct-09	Williams	129	19	21	6	32	16	0
Nov-09	Roche	138	20	14	0	39	16	0
Dec-09	Roche	127	19	20	1	28	11	0
Jan-10	Barden	119	19	18	4	56	4	1
Feb-10	Barden	119	23	19	3	42	26	1
Mar-10	Beck	98						
Apr-10								
May-10								
Jun-10								
Totals FY 2009-2010	1131	196	168	31	326	144	5	

SCWCC Judicial Report

District 7 (Richland)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approver	Clincher Conf. Disapproved
Jul-09	Beck	140	18	1	2	26	11	2
Aug-09	Beck	83	24	24	4	41	34	3
Sep-09	Wilkerson	149	45	9	9	27	12	0
Oct-09	Wilkerson	118	13	24	5	57	12	0
Nov-09	Huffstetler	188	47	23	4	82	23	4
Dec-09	Huffstetler	159	19	21	6	33	10	1
Jan-10	Roche	166	23	23	0	64	15	1
Feb-10	Roche	163	21	9	2	17	21	1
Mar-10	Barden	132						
Apr-10								
May-10								
Jun-10								
Totals		1298	210	134	32	347	138	12
FY 2009-2010								

Pleadings Filed

[illegible]

SCWCC JUDICIAL DEPARTMENT
MEMORANDUM

April 9, 2010

To: Gary Cannon

From: Virginia L. Crocker

RE: HAMPTON COUNTY MEDIATIONS

Gary:

As you are aware, we are participating in the Westinghouse, International Paper mediations currently being held in Charleston. Commissioner Williams is the Administrative Commissioner in these matters and has asked that I participate.

Earl Ellis is the mediator and the Claimants are represented by Jerry Rosenthal and Eric Lakind of the Florida Bar and David Pearlman and Malcolm Crosland of the South Carolina Bar. Westinghouse is represented by Daniel Addison and International Paper is represented by Drake Rogers, both from South Carolina. Both Mr. Addison and Mr. Rogers have legal counsel from their respective companies along with Risk Managers and Human Resource Specialists in attendance.

There are currently seven hundred and ninety two (792) International Paper cases along with two hundred and sixty (260) Westinghouse cases. All these cases allege toxic chemical exposure and all are denied. The Parties are negotiating the settlement of forty (40) cases as a group to determine the relative value with a consideration of global settlement.

We have previously participated in the resolution of the Graniteville Train cases as well as several hundred Lockheed Martin cases with Exide Battery and Springs Industries still pending.

This is new territory for the Commission and is not currently addressed in our statute or regulations except with regard to specific single Claimant cases. It is, however, a practice which will give us guidance with some five thousand (5000) pending Celanese cases. Unfortunately, with manufacturing plants closing throughout the state; the Commission may be faced with the reality of the management of these cases in the very near future.

Obviously, should we be required to address each of the cases individually at Single Commissioner hearings, the volume would be overwhelming. These situations reinforce the need for continuing to develop our mediation services.

The mediations will continue Tuesday and Wednesday of next week with the goal of resolving them at the conclusion of the two day session.



Workers' Compensation Commission

Executive Director's Report April 19, 2010

Mediation Service

Ms. Crocker participated in mediations April 5-7 and 13-14 in North Charleston involving seven hundred and ninety two (792) claims from employees of International Paper cases and two hundred and sixty (260) claims from employees of Westinghouse. A more detailed report may be found behind Tab 7.

Legislative Audit Council

The audit team completed the survey portion of the audit. I anticipate having the letter from the audit team outlining the scope and schedule by April 16, 2010. Members of the audit team will attend the Business Meeting on the 19th to observe the proceedings.

SCWCEA Medical Seminar

Chairman Roche, Commissioner Beck, Commissioner Wilkerson and Commissioner Williams and the Executive Director participated in the program of the SCWCEA Medical Conference on February 28 through March 2.

Advisory Committee – Medical Fee Schedule

The Advisory Committee conducted its initial meeting on March 15. All twenty-two members were present. The Committee discussed its charge and Chairman Mark Arden requested each member prepare a one page briefing paper on their organization's position on the issues for discussion at the meeting on April 15.

Workers' Compensation Advisory Committee (§42-3-120)

The Governor's Advisory Committee has scheduled a meeting on April 30, 2010 at 12:00 p.m. at 1201 Main Street in Columbia. The Committee will hear presentations from invited organizations and discuss their report to the General Assembly.

Fines and Assessments Activities

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for FY 2009-10. Also attached are reports from the Insurance and Medical Services and Claims Departments discussing the efforts to assess and collect the fines and judgments.

Personnel

Director of Coverage - Wayne Ducote, Compliance Officer in the Compliance Division of the Insurance and Medical Services Department has been selected to fill the vacant Director of Coverage position in that department. Wayne was selected from 78 applicants. Wayne began his employment with the Commission in his current position in November 2005. Prior to coming to the Commission Wayne worked in the private sector for over 12 years. Wayne is a 1992 graduate of the University of South Carolina with a Bachelor of Science in Business Administration/Personnel Management.

The Insurance and Medical Services Department is in the process of reviewing applications for the Compliance Officer position vacancy created by the promotion of Wayne Ducote.

All Employee Meeting

The next all employee meeting is scheduled for April 22, 2010 at 10:30 a.m. in the conference room on the first floor.

Fines and Assessments Aging Report
Monthly Totals

Page 1

4/15/2010

Summary All Depts.

	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Total	\$ 1,004,802	\$ 1,138,302	\$ 974,036	\$ 1,002,360	\$ 914,705	\$ 960,573	\$ 897,638	\$ 1,232,366
Count	2,947	3,362	2,814	3,009	2,756	2,930	2,554	4,017
> 91 Days	\$ 560,507	\$ 539,385	\$ 547,490	\$ 540,456	\$ 614,517	\$ 604,383	\$ 635,036	\$ 588,513
Count	1,932	1,692	1,672	1,576	1,767	1,670	1,764	1,515
61-90 Days	\$ 59,638	\$ 108,056	\$ 68,630	\$ 150,791	\$ 38,516	\$ 89,265	\$ 38,799	\$ 72,576
Count	103	264	93	408	78	328	110	251
31-60 Days	\$ 164,637	\$ 89,930	\$ 224,768	\$ 70,272	\$ 134,187	\$ 68,508	\$ 109,708	\$ 67,390
Count	499	206	654	171	497	199	390	156
< 30 days	\$ 220,020	\$ 400,930	\$ 133,147	\$ 240,841	\$ 127,485	\$ 198,417	\$ 114,095	\$ 503,887
Count	413	1,200	395	854	414	733	290	2,095
Of Fines Over 90 Days Old								
Orders	\$ 40,550	\$ 22,270	\$ 21,045	\$ 19,245	\$ 18,645	\$ 17,625	\$ 16,800	\$ 12,990
Count	246	153	144	132	127	121	118	93
Judgments	\$ 213,746	\$ 213,166	\$ 203,804	\$ 203,604	\$ 202,984	\$ 202,224	\$ 202,224	\$ 201,804
Count	606	602	547	545	544	541	541	539

Claims	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Division Total	\$ 439,496	\$ 509,639	\$ 417,077	\$ 459,026	\$ 403,106	\$ 447,026	\$ 394,941	\$ 610,061
Count	2,262	2,575	2,099	2,315	2,029	2,246	1,943	2,998
> 91 Days	\$ 298,710	\$ 246,452	\$ 256,027	\$ 247,476	\$ 286,506	\$ 268,126	\$ 288,141	\$243,961
Count	1,696	1,401	1,434	1,341	1,529	1,427	1,515	1,283
61-90 Days	\$ 5,600	\$ 43,236	\$ 19,900	\$ 82,100	\$ 10,050	\$ 52,500	\$ 13,100	\$ 45,050
Count	22	217	51	367	35	257	40	218
31-60 Days	\$ 79,336	\$ 30,300	\$ 112,400	\$ 12,050	\$ 72,500	\$ 18,750	\$ 63,600	\$19,700
Count	395	75	518	44	355	63	301	57
< 30 days	\$ 55,850	\$ 189,650	\$ 28,750	\$ 117,400	\$ 34,050	\$ 107,650	\$ 30,100	\$301,350
Count	149	882	96	563	110	499	87	1,440
Of Fines Over								
Orders	\$ 40,550	\$ 22,270	\$ 21,045	\$ 19,245	\$ 18,645	\$ 17,625	\$ 16,800	\$ 12,990
Count	246	153	144	132	127	121	118	93
Judgments	\$ 107,040	\$ 106,460	\$ 97,098	\$ 96,898	\$ 96,278	\$ 95,518	\$ 95,518	\$ 95,098
Count	553	549	494	492	491	488	488	486

Compliance	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Division Total	\$ 457,258	\$ 480,677	\$ 429,177	\$ 420,475	\$ 380,580	\$ 392,075	\$ 398,760	\$ 438,990
Count	144	150	139	145	136	136	143	149
> 91 Days	\$ 232,832	\$ 232,830	\$ 250,795	\$ 252,657	\$ 286,805	\$ 294,225	\$ 306,440	\$309,100
Count	89	91	94	92	93	94	100	102
61-90 Days	\$ 39,655	\$ 58,320	\$ 41,930	\$ 61,908	\$ 20,230	\$ 24,620	\$ 13,240	\$ 23,140
Count	11	14	8	10	6	10	7	11
31-60 Days	\$ 68,401	\$ 34,630	\$ 88,585	\$ 33,705	\$ 35,955	\$ 24,940	\$ 31,190	\$29,690
Count	19	6	20	9	13	11	14	9
< 30 days	\$ 116,370	\$ 154,897	\$ 47,867	\$ 72,205	\$ 37,590	\$ 48,290	\$ 47,890	\$ 77,060
Count	25	39	17	34	24	21	22	27
Of Fines Over 90 Days Old								
Orders								
Count								
Judgments	\$ 106,706	\$ 106,706	\$ 106,706	\$ 106,706	\$ 106,706	\$ 106,706	\$ 106,706	\$ 106,706
Count	53	53	53	53	53	53	53	53

Coverage	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Division Total	\$ 101,115	\$ 141,670	\$ 111,135	\$ 107,190	\$ 118,490	\$ 108,525	\$ 92,935	\$ 172,445
Count	530	627	515	496	553	507	435	838
> 91 Days	\$ 22,815	\$ 54,570	\$ 35,135	\$ 34,790	\$ 34,890	\$ 32,925	\$ 31,735	\$26,445
Count	137	191	135	134	135	129	129	108
61-90 Days	\$ 13,600	\$ 6,500	\$ 6,800	\$ 6,000	\$ 4,200	\$ 11,200	\$ 11,800	\$ 4,200
Count	69	33	34	30	21	56	59	21
31-60 Days	\$ 16,900	\$ 25,000	\$ 23,000	\$ 17,600	\$ 24,600	\$ 23,600	\$ 13,800	\$18,000
Count	85	125	115	88	123	118	69	90
< 30 days	\$ 47,800	\$ 55,600	\$ 46,200	\$ 48,800	\$ 54,800	\$ 40,800	\$ 35,600	\$ 123,800
Count	239	278	231	244	274	204	178	619
Of Fines Over 90 Days Old								
Orders								
Count								
Judgments								
Count								

Judicial	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Division Total	\$ 6,933	\$ 6,316	\$ 16,647	\$ 15,670	\$ 12,529	\$ 12,947	\$ 11,002	\$ 10,870
Count	11	10	61	53	38	41	33	32
> 91 Days	\$ 6,150	\$ 5,533	\$ 5,533	\$ 5,533	\$ 6,316	\$ 9,107	\$ 8,721	\$9,007
Count	10	9	9	9	10	20	20	22
61-90 Days	\$ 783	\$ -	\$ -	\$ 783	\$ 4,036	\$ 945	\$ 659	\$ 186
Count	1	0	0	1	16	5	4	1
31-60 Days	\$ -	\$ -	\$ 783	\$ 6,917	\$ 1,132	\$ 1,218	\$ 1,118	\$ 0
Count	0	0	1	30	6	7	6	0
< 30 days	\$ 783	\$ 783	\$ 10,330	\$ 2,436	\$ 1,045	\$ 1,677	\$ 505	\$ 1,677
Count	1	1	51	13	6	9	3	9

**Fine Assessment Aging Report
As of April 30, 2009**

	Grand Total		Claims		Compliance		Coverage		Judicial	
	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Division Total	\$1,026,851	3,964	\$554,765	2,987	\$344,754	129	\$119,500	833	\$7,833	15
Over 91 Days	\$489,902	2,017	\$293,715	1,695	\$165,555	66	\$24,600	246	\$6,033	10
61-90 Days	\$61,852	223	\$11,825	79	\$35,627	9	\$13,300	133	\$1,100	2
31-60 Days	\$67,270	267	\$28,075	160	\$29,995	15	\$9,200	92	\$0	0
Less than 30 days	\$408,227	1,461	\$221,550	1,057	\$113,577	39	\$72,400	362	\$700	3

Division Total
Over 91 Days
61-90 Days
31-60 Days
Less than 30 days

Of Fines Over 90 Days Old

	Grand Total		Claims		Compliance	
	Amount	Count	Amount	Count	Amount	Count
Orders	\$58,745	345	\$58,745	345		
Judgments	\$219,676	633	\$112,970	580	\$106,706	53

Orders
Judgments

**Fine Assessment Aging Report
As of May 30, 2009**

	Grand Total		Claims		Compliance		Coverage		Judicial	
	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Division Total	\$904,088	3,163	\$451,294	2,440	\$341,461	118	\$103,200	588	\$8,133	17
Over 91 Days	\$477,311	1,827	\$279,860	1,629	\$179,302	69	\$11,800	118	\$6,350	11
61-90 Days	\$34,645	122	\$12,175	88	\$20,070	10	\$2,400	24	\$0	0
31-60 Days	\$244,386	867	\$142,886	658	\$63,500	19	\$37,300	187	\$700	3
Less than 30 days	\$147,745	347	\$16,373	65	\$78,589	20	\$51,700	259	\$1,083	3

Division Total
Over 91 Days
61-90 Days
31-60 Days
Less than 30 days

Of Fines Over 90 Days Old

	Grand Total		Claims		Compliance	
	Amount	Count	Amount	Count	Amount	Count
Orders	\$278,421	978	\$171,715	925	\$106,706	53
Judgments	\$219,676	633	\$112,970	580	\$106,706	53

Orders
Judgments

**Fine Assessment Aging Report
As of June 30, 2009**

	Grand Total		Claims		Compliance		Coverage		Judicial	
	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count
Division Total	\$1,044,370	3,530	\$517,969	2,766	\$404,468	140	\$114,700	612	\$7,233	12
Over 91 Days	\$488,156	1,802	\$279,260	1,640	\$195,347	77	\$7,500	75	\$6,050	10
61-90 Days	\$152,913	520	\$90,086	410	\$43,927	16	\$18,500	93	\$400	1
31-60 Days	\$85,388	208	\$9,200	34	\$43,305	12	\$32,100	161	\$783	1
Less than 30 days	\$317,913	1,000	\$139,423	682	\$121,890	35	\$56,600	283	\$0	0

Of Fines Over 90 Days Old

	Grand Total		Claims		Compliance	
	Amount	Count	Amount	Count	Amount	Count
Orders	\$54,665	325	\$54,665	325		
Judgments	\$218,891	628	\$112,185	575	\$106,706	53

TO: Gary M. Cannon, Executive Director

FROM: Al McCutcheon

DATE: April 14, 2010

RE: Outstanding Fines Status

The following is the requested status of outstanding fines in the Compliance and Coverage divisions of the Insurance and Medical Services Department:

Compliance

There are two categories for Compliance fines, which are cases with underlying claims and cases without underlying claims. Cases with underlying claims are those cases in which a claim has been filed but there is no record of the employer having coverage. Cases with no underlying claims are those cases where employers are discovered to have no coverage through the search of the Employment Security Commission records or a random coverage check.

The procedure for collection of fines is as follows:

1. Employers suspected of not having insurance or that fail to immediately acquire insurance are sent a letter requesting verification that they have coverage and are given 14 days to respond. Failure to respond will result in fines being assessed at \$1.00 per day for each employee, minimum of \$10.00 per day fine; maximum of \$100.00 per day.

Forty-five violation letters were issued during the month of March.

2. For cases without an underlying claim, if the employer immediately comes into compliance after the initial notification, the assessed fine is \$750 for 10 or less employees and \$1,000 for 11-20 employees.

Forty-one compliance agreements were received during the month of March.

3. If no response and we can prove the employer is subject to the Workers' Compensation Act, the Compliance Division subpoenas the employer to an Order and Rule to Show Cause hearing. These hearings are scheduled every 60 days.

Fifteen subpoenas were issued in March. The next Order and Rule to Show Cause hearing is scheduled for April 27, 2010.

4. Along with the subpoena, the employer is provided a letter offering the opportunity to settle in lieu of attending the hearing. However, if the employer does not settle, and the employer is found to be subject at the hearing, an order is issued finding the employer subject. In most instances, the order stipulates maximum fines and penalties. Orders are issued 30 days after the hearing.

Six orders resulting from the February 20, 2010 Order and Rule to Show Cause hearing were published in March.

5. If there is no response to the order, a civil judgment is filed within 45 days.

One civil judgment was filed during the month of March.

6. Further contact with the employer (telephone and letter) is attempted by the Director of Compliance. If the employer remains willfully uninsured, the Director of Compliance files a criminal complaint with the jurisdictional magistrate. This new procedure for the Department has yet to be finalized with legal counsel.

Coverage

There are three types of fines assessed on carriers by the Coverage Division:

- A. Late filing for policies not received within 30 days of the policies' effective date.
- B. Failure of the carrier to provide a FEIN on the policy.
- C. 12M Minor Medical Fines

In January - March, approximately 200 carriers were sent a final notice on fines over 90 days old. Carriers were advised that failure to pay outstanding fines would result in a subpoena being issued requiring attendance at an Order and Rule to Show Cause Hearing. Initially, these carriers owed \$207,375 in fines over 90 days old. This total has been reduced to \$78,719 as of April 14, 2010.

The dollar amount of fines assessed and collected for each form for the month of March 2010.

The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 800.00 (4)	\$ 4,600.00 (38)
Form 15 Section I -	\$ 13,200.00 (58)	\$ 8,500.00 (44)
Form 15 Section II -	\$ 4,800.00 (24)	\$ 3,300.00 (22)
Form 15 S -	\$ 1,200.00 (6)	\$ 800.00 (4)
Form 17 -	\$ 2,600.00 (13)	\$ 900.00 (6)
Form 18 -	\$ 308,200.00 (1,524)	\$ 176,100.00 (841)
Form 19 -	\$ 200.00 (4)	\$ 350.00 (8)
Denial letter -	\$ 2,500.00 (13)	\$ 800.00 (5)
Failure to respond -	\$ 2,600.00 (13)	\$ 1,760.00 (15)
Failure to pay Orig fine	0	\$ 1,500.00 (15)
Form 20	0	\$ 3,500.00 (34)
Form 51	0	\$ 1,300.00 (13)
 TOTAL -	 \$ 336,100.00 (1,659)	 \$ 203,410.00 (1,045)

[illegible]

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
DATE: April 9, 2010
RE: Claims
Outstanding Fines Status

Below is the status of the nine groups of carriers with 48 companies that were sent a Second and Final Notice of fines Assessment on July 24, 2009.

1. Insurance Company of North America
 - a. Beginning bal \$ 28,580
 - b. Bal as of 4/9/10 \$ 800
2. AIG
 - a. Beginning bal \$ 56,431
 - b. Bal as of 4/9/10 \$ 6,400
3. Federal Insurance Company
 - a. Beginning bal \$ 4,500
 - b. Bal as of 4/9/10 \$ 1,500
4. Liberty Mutual Group
 - a. Beginning bal \$ 22,750
 - b. Bal as of 4/9/10 \$ 1,200
5. Old Republic Ins. Co.
 - a. Beginning bal \$ 4,225
 - b. Bal as of 4/9/10 \$ 400
6. Travelers Property & Casualty Company
 - a. Beginning Bal \$ 4,160
 - b. Bal as of 4/9/10 \$ 400
- 7.. American Casualty Co. of Rdg PA
 - a. Beginning Bal \$ 5,160
 - b. Bal as of 4/9/10 \$ 825
8. Twin City Fire Insurance Co.
 - a. Beginning Bal \$ 18,315
 - b. Bal as of 4/9/10 \$ 3,825
9. Delhaize America, Inc.
 - a. Beginning Bal \$ 2,700
 - b. Bal as of 4/9/10 \$ 0

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line
Director of Claims

DATE: ~~March~~^{April} 9, 2010

RE: Claims
Outstanding Fines Status

Below is a list of nineteen carriers that were sent a Second and Final Notice of fines Assessment on October 30, 2009

1. Zurich American Ins. Co.
 - a. Beginning bal \$ 29,167.66
 - b. Bal as of 4/9/10 \$ 4,786.33
2. Chubb Indemnity Ins. Co.
 - a. Beginning bal \$ 2,086.33
 - b. Bal as of 4/9/10 \$ 1,500.00
3. Bridgefield Casualty Ins. Co.
 - a. Beginning bal \$ 3,500.00
 - b. Bal as of 4/9/10 \$ 1,200.00
4. Accident Fund Ins. Co.
 - a. Beginning bal \$ 2,500.00
 - b. Bal as of 4/9/10 0
5. First Comp. Ins.
 - a. Beginning bal \$1,900.00
 - b. Bal as of 4/9/10 \$ 0
6. Electric Ins. Co3
 - a. Beginning bal \$ 1,100.00
 - b. Bal as of 4/9/10 \$ 0
7. Peerless Ins. Co.
 - a. Beginning bal \$ 3,900.00
 - b. Bal as of 4/9/10 \$ 400.00
8. Cincinnati Ins. Co.
 - a. Beginning bal \$ 6,300.00
 - b. Bal as of 4/9/10 \$ 0
9. OneBeacon Ins. Co.
 - a. Beginning bal \$ 3,000.00
 - b. Bal as of 4/9/10 \$ 1,100.00
10. Key Risk Ins. Co.
 - a. Beginning bal \$1,100.00
 - b. Bal as of 4/9/10 \$ 200.00

11. Arch Insurance Co.
 - a. Beginning bal \$ 3,600.00
 - b. Bal as of 4/9/10 0
12. Waggoners Trucking
 - a. Beginning bal \$ 1,500.00
 - b. Bal as of 4/9/10 \$ 0
13. State Auto Property & Cas. Ins. Co.
 - a. Beginning bal \$ 2,970.00
 - b. Bal as of 4/9/10 \$ 0
14. Virginia Surety Company
 - a. Beginning bal \$ 2,025.00
 - b. Bal as of 4/9/10 \$ 1,225.00
15. XL Specialty Insurance Co.
 - a. Beginning bal \$ 2,072.66
 - b. Bal as of 4/9/10 \$ 0
16. Guarantee Insurance Company
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 4/9/10 \$ 0
17. North American Specialty Ins. Co.
 - a. Beginning bal \$ 2,400.00
 - b. Bal as of 4/9/10 \$ 0
18. Kroger Company
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 4/9/10 \$ 400.00
19. Westport Ins. Corporation
 - a. Beginning bal \$ 1,200.00
 - b. Bal as of 4/9/10 \$ 0

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: April 9, 2010

RE: Claims
Outstanding fine status

Below is a list of twenty seven carriers that were sent a Second and Final Notice of fines Assessment on January 4, 2010.

1. Travelers Casualty & Ins. Co.	
a. Beginning bal	\$ 13,172.66
b. Bal as of 4/9/10	\$ 4,200.00
2. NGM Insurance Co.	
a. Beginning bal	\$ 800.00
b. Bal as of 4/9/10	\$ 0
3. North River Ins. Co.	
a. Beginning bal	\$ 500.00
b. Bal as of 4/9/10	\$ 0
4. Auto-Owners Ins. Co.	
a. Beginning bal	\$ 400.00
b. Bal as of 4/9/10	\$ 0
5. Nationwide Mutual Ins. Co.	
a. Beginning bal	\$ 1,000.00
b. Bal as of 4/9/10	\$ 0
6. Hanover Ins. Co.	
a. Beginning bal	\$ 1,600.00
b. Bal as of 4/9/10	\$ 0
7. Central Mutual Ins. Co.	
a. Beginning bal	\$ 800.00
b. Bal as of 4/9/10	\$ 0
8. State Farm First & Casualty	
a. Beginning bal	\$ 4,000.00
b. Bal as of 4/9/10	\$ 600.00
9. Valley Forge Ins. Co.	
a. Beginning bal	\$ 300.00
b. Bal as of 4/9/10	\$ 100.00
10. Sentry Select Ins. Co.	
a. Beginning bal	\$ 510.00
b. Bal as of 4/9/10	\$ 510.00
11. Sentry Insurance A Mutual Co.	
a. Beginning bal	\$ 7,025.00
b. Bal as of 4/9/10	\$ 3,425.00

12. American States Ins. Co.		
a. Beginning bal	\$	1,295.00
b. Bal as of 4/9/10	\$	895.00
13. Massachusetts Bay Ins. Co.		
a. Beginning bal	\$	200.00
b. Bal as of 4/9/10	\$	0
14. Tokio Marine & Nichido Fire		
a. Beginning bal	\$	1,595.00
b. Bal as of 4/9/10	\$	0
15. PA Manufacturers Assn. Ins. Co.		
a. Beginning bal	\$	800.00
b. Bal as of 4/9/10	\$	200.00
16. Farmington Casualty Co.		
a. Beginning bal	\$	1,200.00
b. Bal as of 4/9/10	\$	1,000.00
17. Midwest Employers Casualty Co.		
a. Beginning bal	\$	900.00
b. Bal as of 4/9/10	\$	700.00
18. Rollins, Inc.		
a. Beginning bal	\$	500.00
b. Bal as of 4/9/10	\$	500.00
19. SC Sch Bd Self Ins. Trust Fund		
a. Beginning bal	\$	2,300.00
b. Bal as of 4/9/10	\$	0
20. Employers Assurance Co.		
a. Beginning bal	\$	500.00
b. Bal as of 4/9/10	\$	0
21. US Specialty Ins. Co.		
a. Beginning bal	\$	995.00
b. Bal as of 4/9/10	\$	995.00
22. Technology Ins. Co.		
a. Beginning bal	\$	400.00
b. Bal as of 4/9/10	\$	0
23. Premier Group Ins. Co.		
a. Beginning bal	\$	900.00
b. Bal as of 4/9/10	\$	500.00
24. Work First Casualty Co.		
a. Beginning bal	\$	900.00
b. Bal as of 4/9/10	\$	700.00
27. Cummins Engine Company, Inc.		
a. Beginning bal	\$	486.33
b. Bal as of 4/9/10	\$	486.33

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

DATE: April 13, 2010

RE: Financial Contingency Plan

The following is a review of the financial position of the agency and several scenarios considering the possible budget reductions that may be forthcoming to the agency.

Attached are the following data graphs:

1. General Fund Expenditures – April 2009 - March 2010
2. Earmarked Fund Revenues – April 2008 - March 2010
3. Earmarked Fund Expenditures – April 2009 - March 2010
4. Total Expenditures – May 2008 - March 2010
5. Earmarked Fund Balance – May 2008 - March 2010
6. Scenario 1 – 100% Elimination of General Fund Appropriation – Impact on Earmarked Fund Balance
7. Scenario 2 – 100% Elimination of Earmarked Fund Balance

Scenario 1 (Graph 6)

This graph depicts the impact on the Earmarked Fund Balance if the FY 2010-11 General Fund budget appropriation of \$1,945,437 is eliminated by the General Assembly. Based on the historical data shown in graph 2 we are conservatively estimating a monthly revenue stream for the Earmark Fund of \$250,000. At the current level of monthly expenditures of \$428,157 the Earmarked Fund Balance will be reduced from a little over \$2.7 million to \$591,237 by June 2011.

Scenario 2 (Graph 7)

This graph reflects the total monthly revenues and expenditures for the General Fund and the Earmarked Fund for FY 2010-11 using an annual appropriation of \$1,945,437 in the General Fund and \$3,192,454 in the Earmarked Fund. The total monthly revenue allocation is \$412,120. This total assumes a conservative estimate of \$250,000 per month revenue for the Earmarked Fund and a monthly allocation of \$162,120 from the General Fund. The combined monthly expenditure for both funds is \$428,157 leaving a monthly deficit between revenues and expenses of \$16,037. If use of the Earmarked Fund Balance of \$2,729,121 is prohibited by the General Assembly the options for dealing with the monthly deficit are eliminating expenditures or increasing revenues.

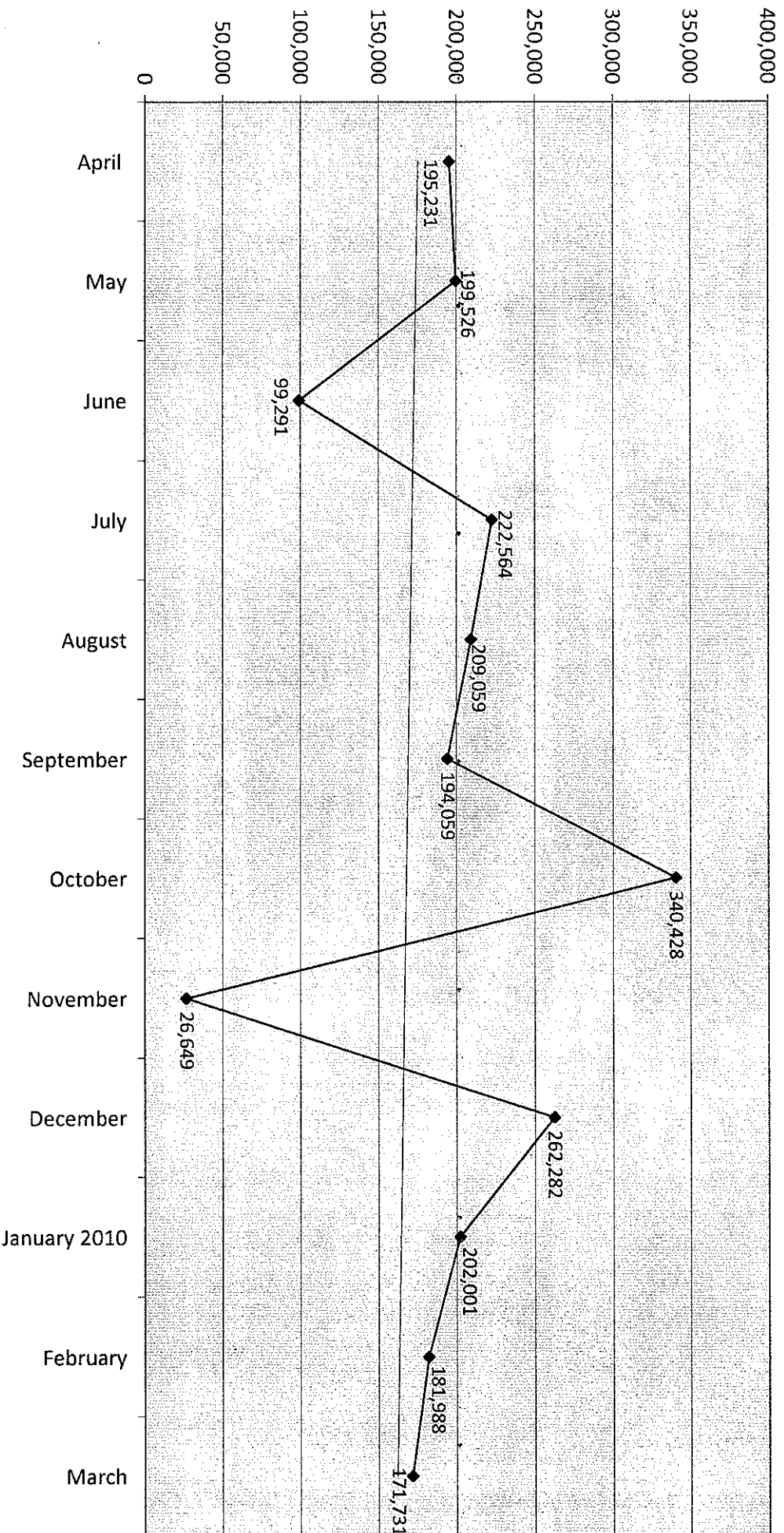
SCWCC General Fund Expenditures

April 2009 through March 2010

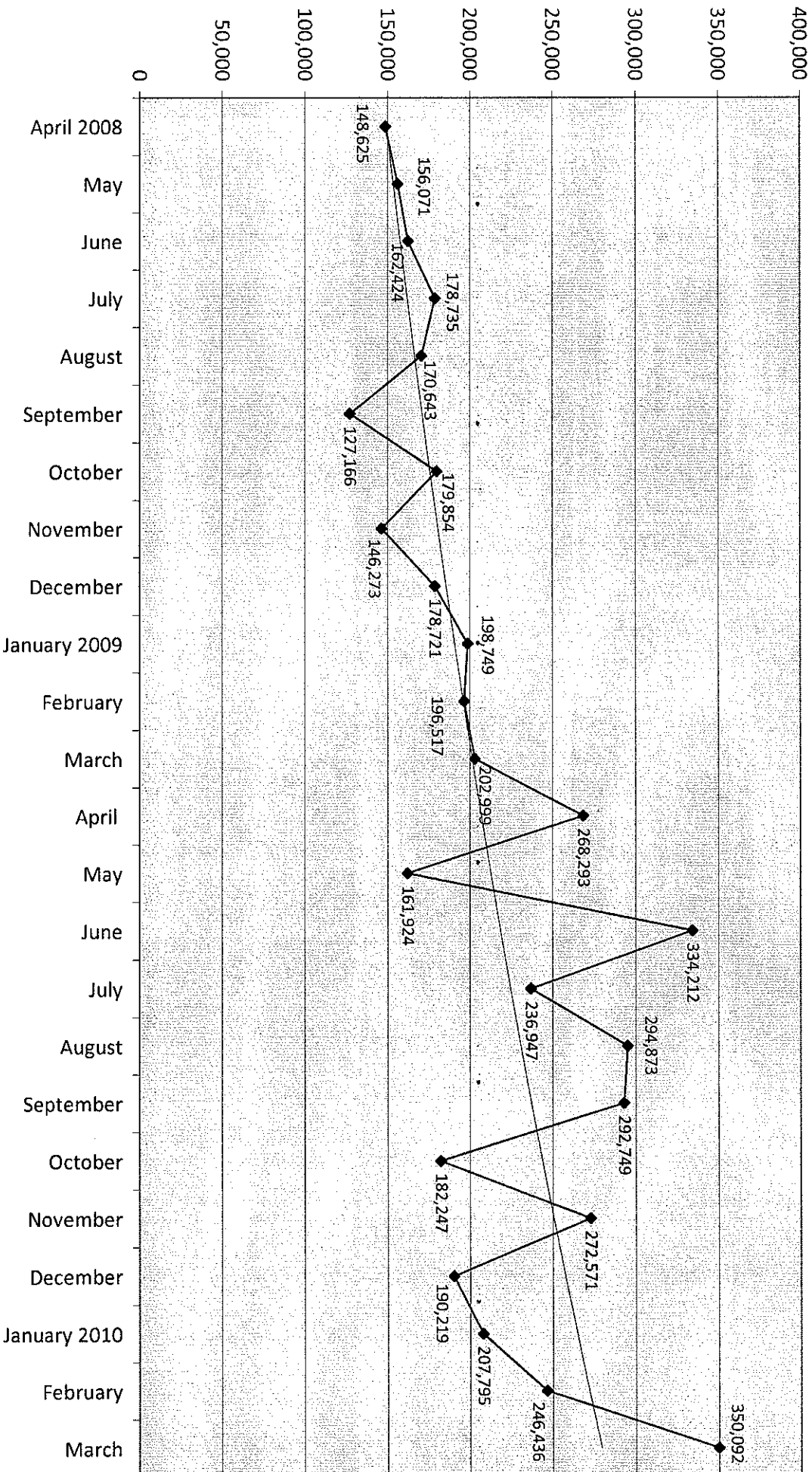
Average Monthly Expenditure = \$192,067

FY 09-10 Annual General Fund Appropriation = \$2,315,996

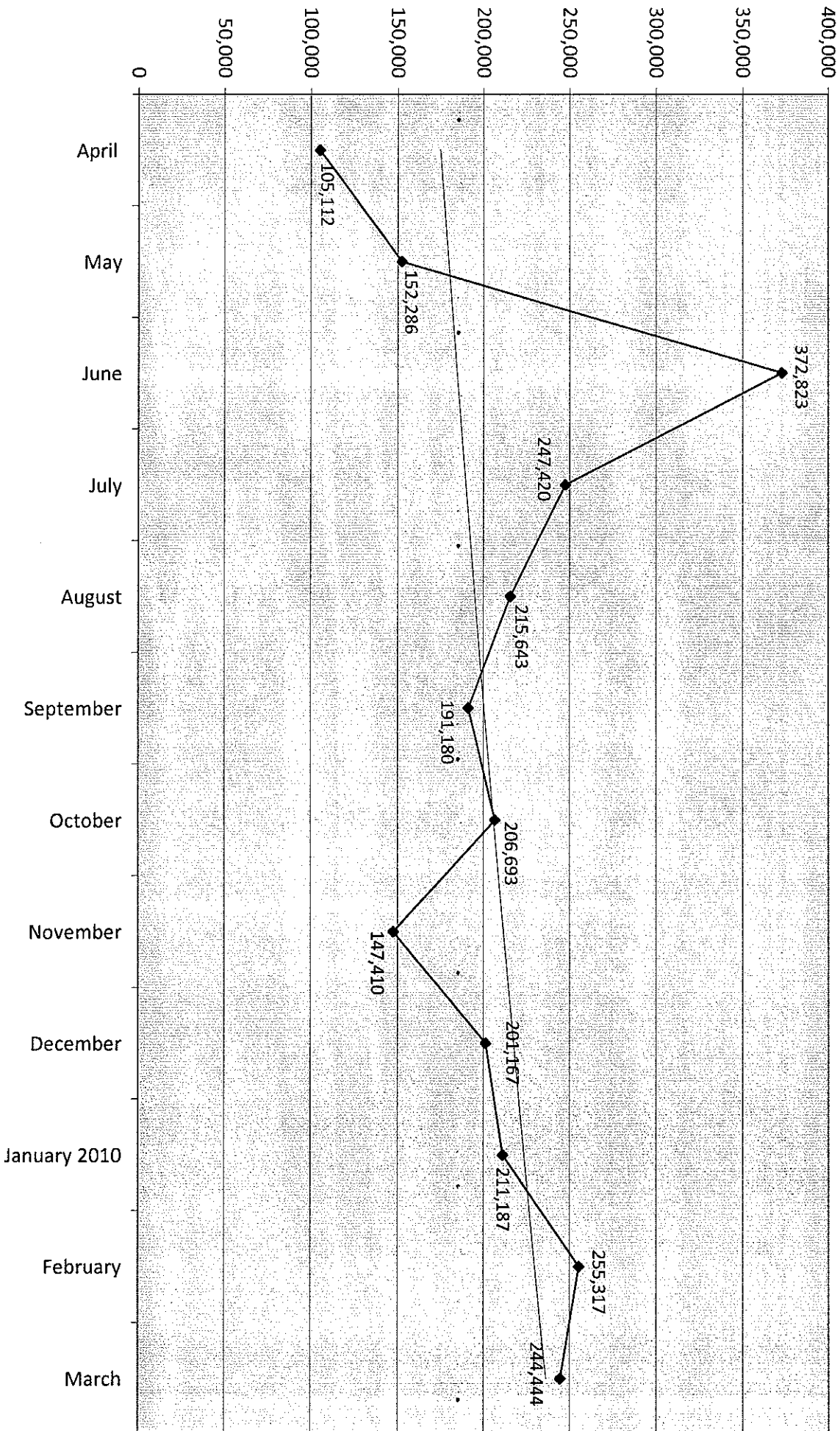
FY 09-10 Monthly General Fund Appropriation = \$192,999



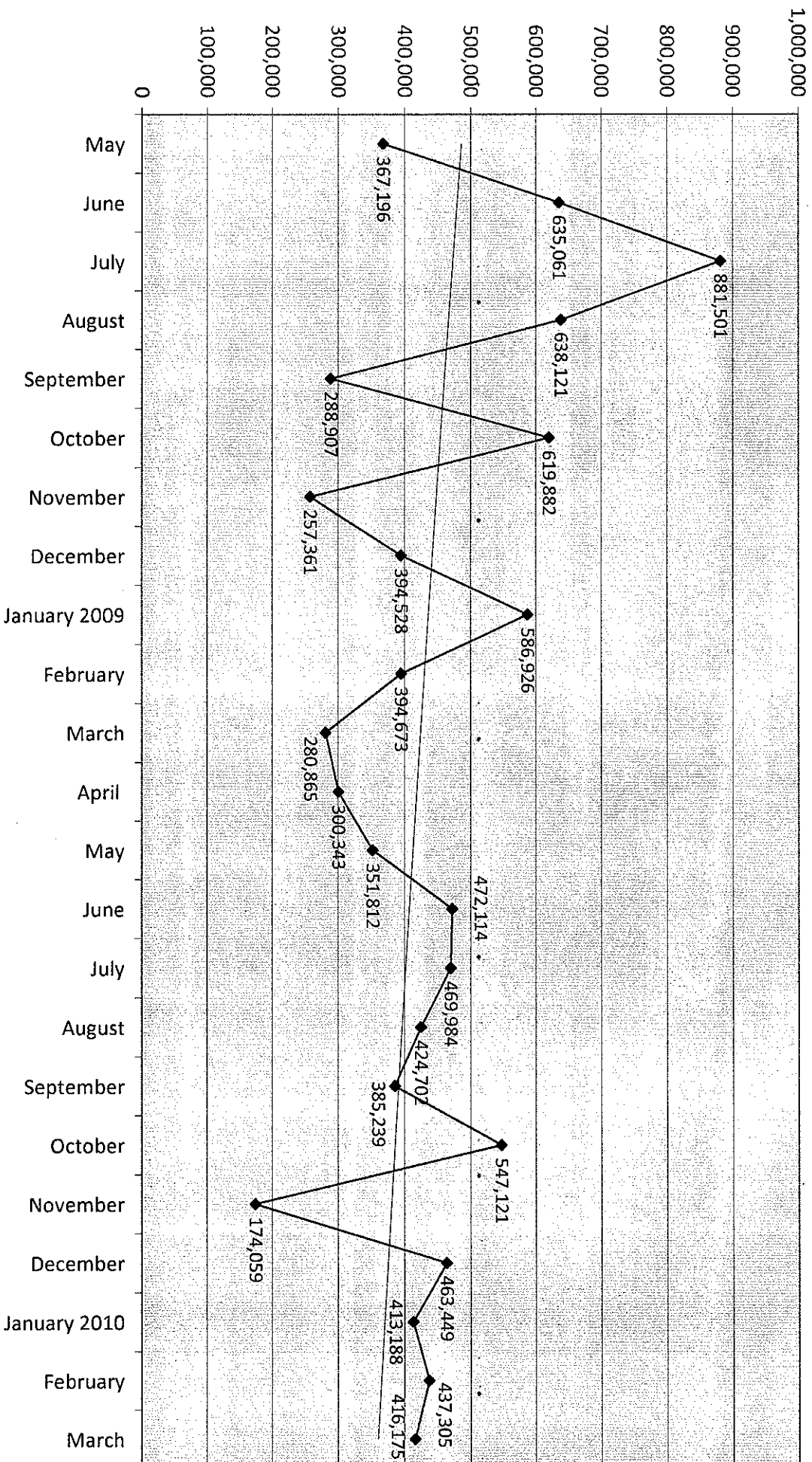
SCWCC Earmarked Fund Revenues
April 2008 through March 2010
Avg Monthly Revenue (April 09 - March 10) = \$253,197
Avg Monthly Revenue (April 08 - March 09) = \$170,565



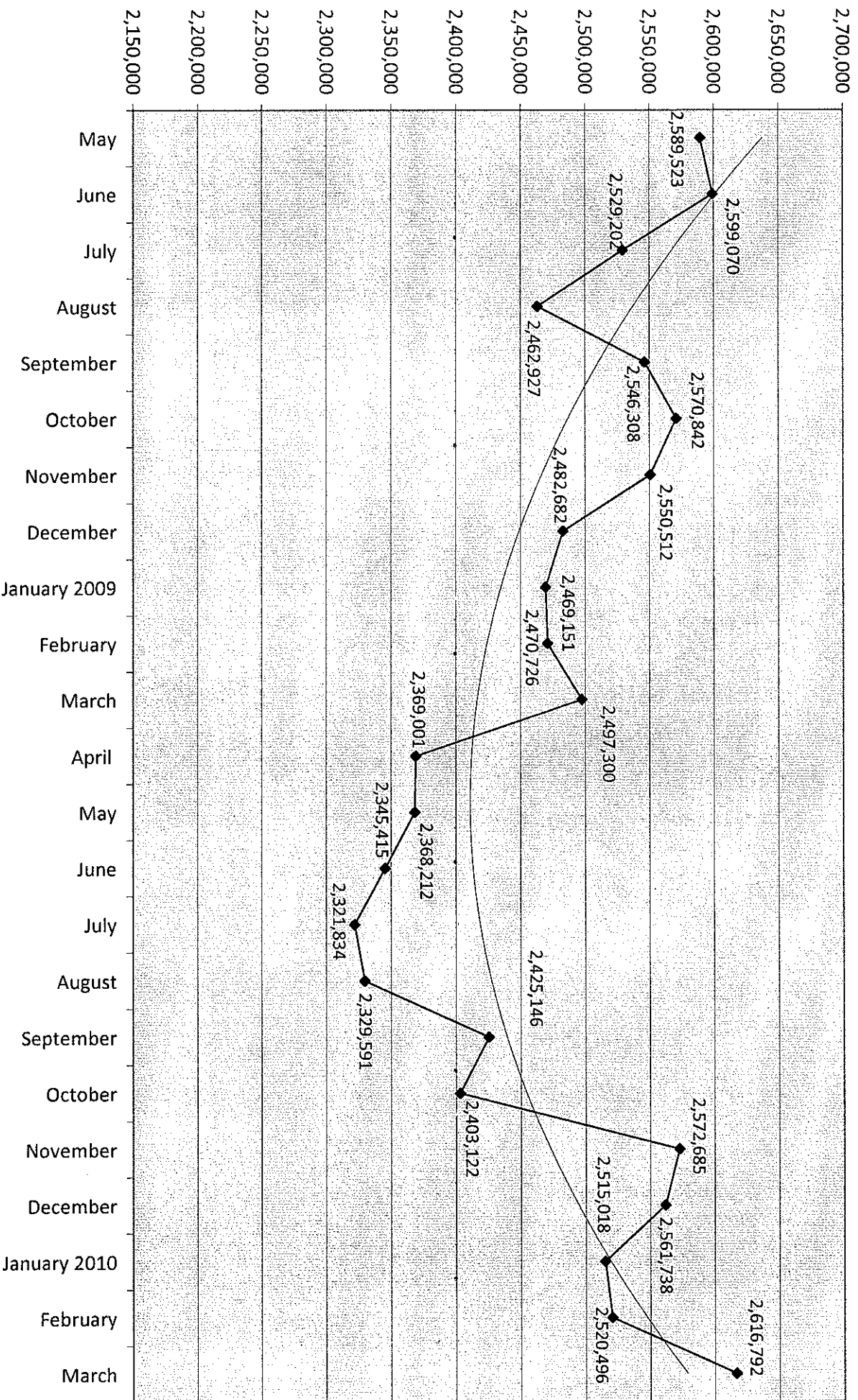
SCWCC Earmarked Fund Expenditures
April 2009 through March 2010
Average Monthly Expenditure = \$212,557



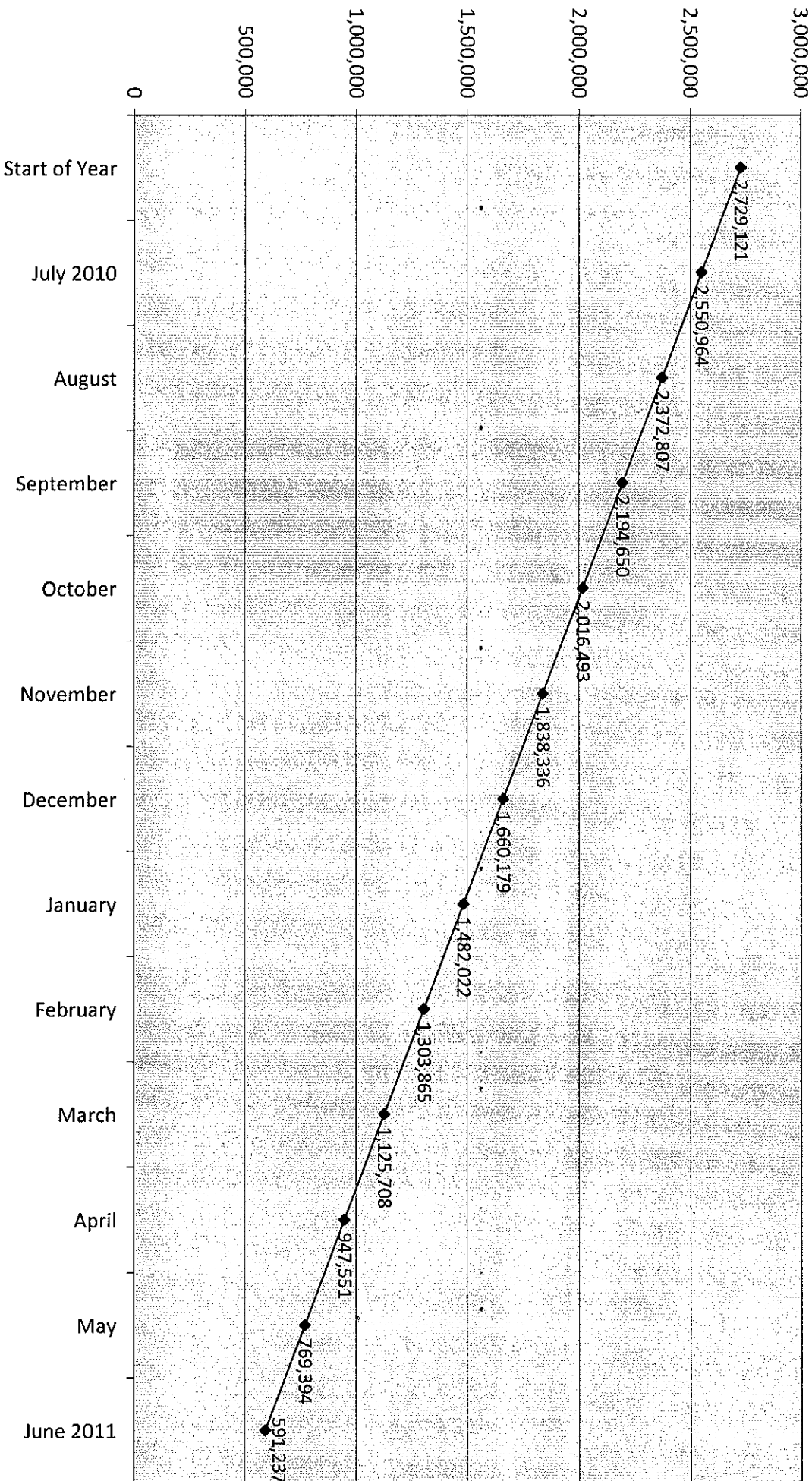
SCWCC Total Expenditures (General & Earmarked)
May 2008 through March 2010
Avg Monthly Expenditure (April 09 - March 10) = \$404,624
Avg Monthly Expenditure (May 08 - March 09) = \$485,911



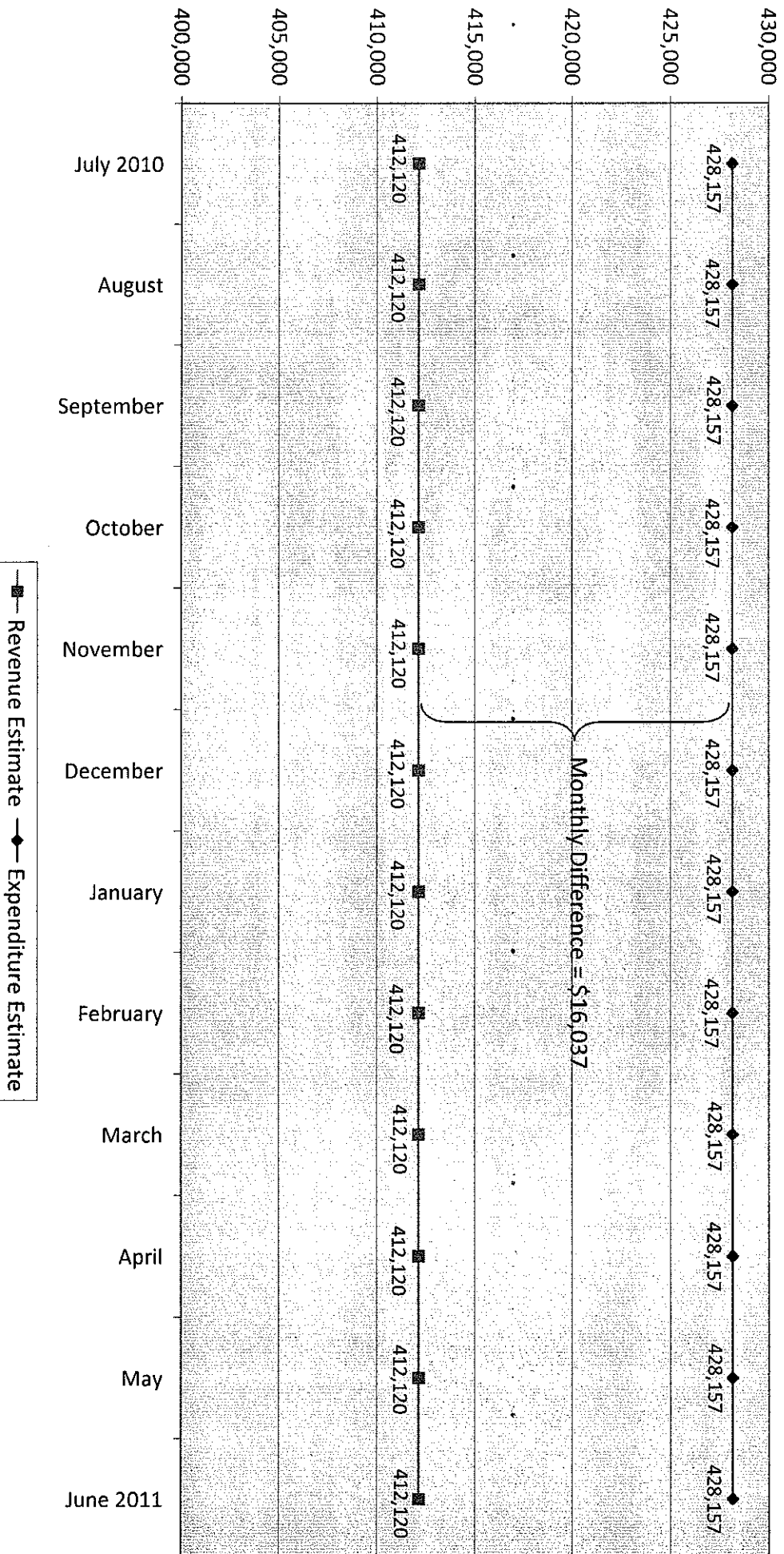
**SCWCC Earmarked Fund Balance
May 2008 through March 2010**



SCWCC Scenario 1: 100% Cut of General Fund Appropriations
Impact on Earmarked Fund Balance
Estimated Starting Fund Balance = \$2,729,121
Estimated Monthly Earned Revenue = \$250,000
Estimated Monthly Expenditures = \$428,157

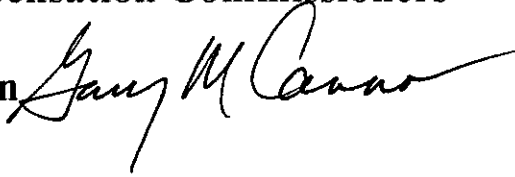


SCWCC Scenario 2
FY 2010-11
Earmarked Fund Balance Eliminated
Estimated Monthly Revenue = \$412,120
(Gen Fund App of \$162,120 + Earned Rev of \$250,000)
Estimated Monthly Expenditures = \$428,157
Monthly Deficiency = \$16,037



TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon



DATE: April 13, 2010

RE: Regulations

Request authorization to initiate the process for amending the language in 67-406, 67-602 and other minor non-substantive changes.

R 67-406 (F) (2)

At the September 28, 2010 Business Meeting Mr. Robert Herlong, SC Legislative and Legal Counsel for Property Casualty Insurance Association of America appeared before the Commission to request to change regulation 67-406. Mr. Herlong pointed out there is a conflict in the language between Section 38-75-730(5)(c) of the SC Code and WCC Regulation 67-406 (F)(2). Regulation 67-406 (F)(2) states "...cancellation shall not be effective until thirty days from the date of receipt by NCCI..." Section 38-75-30 (5)(C) of the SC Code states "The policy may be canceled for any reason by furnishing to the insured at least thirty days' written notice of cancellation, except where the reason for cancellation is nonpayment of premium, in which case not less than ten days' written notice must be furnished."

R 67-602

Currently the language in 67-602 requires the employer's representative to make each payment in the form of a check. Attached is a letter from Fred E. Karlinsky, Esq. who represents InsurCard Visa Prepaid Program to give carriers the option to pay claimants weekly benefits by check or pre-paid debit card.

Miscellaneous Non-substantive Changes

Since the approval of the amendments to the regulations on February 26, 2010 we have discovered several minor typographical and other non-substantive errors in the new regulations. Staff request permission to draft grammatical corrections.

Attached is a copy of the regulation 67-406(F)(2) and Section 38-75-730 (5)(C) of the South Carolina State Code. The language in question is highlighted.

67-406 (F)(2)

(2) Insurance expiration, termination or cancellation shall not be effective until after thirty days from the date of receipt by NCCI of the NCCI Form WC 89 06 09 A.

SECTION 38-75-730 (5)(C)

(5) loss of the insurer's reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil the insurer's solvency or place that insurer in violation of the insurance laws of this State. Prior to cancellation for reasons permitted in this item (5), the insurer shall notify the director or his designee, in writing, at least sixty days prior to such cancellation and the director or his designee shall, within thirty days of such notification, approve or disapprove such action.

(b) Cancellation under item (1) of subsection (a) of this section is not effective unless written notice of cancellation has been delivered or mailed to the insured and the agent of record, if any, not less than ten days prior to the proposed effective date of cancellation. Cancellation under items (2) through (5) of subsection (a) of this section is not effective unless written notice of cancellation has been delivered or mailed to the insured and the agent of record, if any, not less than thirty days prior to the proposed effective date of cancellation. The notice must be given or mailed to the insured and the agent at their addresses shown in the policy or, if not reflected therein, at their last known addresses. Any notice of cancellation shall state the precise reason for cancellation. Proof of mailing is sufficient proof of notice.

(c) Subsections (a) and (b) of this section do not apply to any insurance policy which has been in effect for less than one hundred twenty days and is not a renewal of a previously existing policy. The policy may be canceled for any reason by furnishing to the insured at least thirty days' written notice of cancellation, except where the reason for cancellation is nonpayment of premium, in which case not less than ten days' written notice must be furnished.



Fred E. Karlinsky
fkarlinsky@cftlaw.com
Direct Line: 954 332 1749

April 14, 2010

VIA ELECTRONIC MAIL TO

gcannon@wcc.sc.gov

Gary M. Cannon
Executive Director
South Carolina Workers' Compensation Commission
1333 Main Street
Columbia, SC 29202-1715

**Re: Prepaid Cards for Payment of Workers Compensation
Indemnity Benefits**

Dear Mr. Cannon:

Thank you again for taking the time to discuss prepaid cards with us on April 7, 2010. We appreciate your time and consideration of these issues.

To follow up on our recent discussions, and as you requested, this letter is to advise you of the changes we would like to see to Regulation 67-1602, that would allow injured workers to have the option of receiving their compensation by a prepaid card, if they so choose. Our proposed changes to Regulation 67-1602 are underlined below:

67-1602. Payment of Compensation.

A. The employer's representative shall pay all compensation directly to the claimant or guardian, unless otherwise ordered by the Commission.

B. The employer's representative may make a check payable to the claimant and the claimant's attorney, as allowed according to an approved Form 61, Attorney Fee Petition, or by order of the Commission.

C. The employer's representative shall make each payment in the form of a check or by electronic funds transfer including, but not limited to, a prepaid card. Payment to a person other than as directed above shall not acquit, protect, or discharge the employer or its representative for the payment due.

D. The claimant may request a hearing to assess a penalty and, or, interest for late payment by filing with the Commission's Judicial Department a motion to increase compensation payments according to R.67-215



Gary M. Cannon
Executive Director
South Carolina Workers' Compensation Commission
April 14, 2010
Page 2

We appreciate your review and consideration of this request. Should you have any questions or concerns, or require any additional information, please do not hesitate to contact me.

Very Truly Yours,

COLODNY, FASS, TALENFELD,
KARLINSKY & ABATE, P.A.

Fred E. Karlinsky

FEK/ets

cc: Bob Mendte (via electronic mail)

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon 

DATE: April 14, 2010

RE: Agency Gifts

Periodically business partners (law firms, carriers, etc.) give the agency cookies, candy, fruit and other edible products. The gifts are placed in the employee break room for all to share. On occasion area businesses also have provided the agency with complimentary sandwiches for all employees for the expressed intent of marketing their products.

This activity raises the question "...does the practice of accepting these items on behalf of all agency employees violate the agency's Administrative Policies and Procedures, State Ethics Act and/or the Judicial Code of Conduct?" Chairman Roche requested the matter be placed before the Commission for discussion.

Administrative Policies and Procedures

The agency's Administrative Policies and Procedures "Staff Conduct and Behavior" Policy 1.04 dated March 2003 establishes the policy for the code of conduct for Commission employees related to prohibited activities including the receipt of the gifts or gratuities by employees.

General Provisions

- A. No commission employee shall solicit or accept anything of value, including a promise of future employment or a favor or services from organizations, business firms or individuals with whom they have an official relationship through agency business.

Attached are excerpts from the document published by the Budget and Control Board, "Ethical Principles for South Carolina State Government Service", Canon 4 of the Code of Judicial Conduct (Rules Governing the Judiciary, Employees of the Judicial Department and Others Assisting the Judiciary) and a copy of an email from Cathy Hazelwood responding to my inquiry about the issue.

State Ethics Act

The Ethical Principles for South Carolina State Government Service, states "A person may not directly or indirectly give, offer, or promise anything of value to a public official, public member, or public employee with intent to influence the public officials, public members, or public employees official responsibilities nor is the public official, public member, or public employee to ask, demand, solicit, or accept anything of value for himself or for another person in return for fulfilling his official responsibilities or duties.

Rules Governing the Judiciary, Employees of the Judicial Department and Others Assisting the Judiciary**Section 501 of the Code of Judicial Conduct.****CANON 4****A JUDGE SHALL SO CONDUCT THE JUDGE'S EXTRA-JUDICIAL
ACTIVITIES AS TO MINIMIZE THE RISK OF CONFLICT WITH JUDICIAL
OBLIGATIONS****D. Financial Activities.**

(5) A judge shall not accept, and shall urge members of the judge's family residing in the judge's household,* not to accept, a gift, bequest, favor or loan from anyone except for:

(b) a gift, award or benefit incident to the business, profession or other separate activity of a spouse or other family member of a judge residing in the judge's household, including gifts, awards and benefits for the use of both the spouse or other family member and the judge (as spouse or family member), provided the gift, award or benefit could not reasonably be perceived as intended to influence the judge in the performance of judicial duties;

(h) any other gift, bequest, favor or loan, only if: the donor is not a party or other person who has come or is likely to come or whose interests have come or are likely to come before the judge; and, if its value exceeds \$150.00, the judge reports it in the same manner as the judge reports compensation in Section 4H; or

Commentary:

Section 4D(5)(h) prohibits judges from accepting gifts, favors, bequests or loans from lawyers or their firms if they have come or are likely to come before the judge; it also prohibits gifts, favors, bequests or loans from clients of lawyers or their firms when the clients' interests have come or are likely to come before the judge.

Cannon, Gary

From: Hazelwood, Cathy
Sent: Wednesday, April 14, 2010 2:46 PM
To: Cannon, Gary
Subject: RE: Agency Gifts

don't think either gifts are in violation of the Ethics Act. Cathy

Cathy L. Hazelwood, General Counsel
State Ethics Commission
5000 Thurmond Mall, Suite 250
Columbia, SC 29201
803-253-4192
803-253-7539 (fax)
Cathy@ethics.sc.gov

From: Cannon, Gary
Sent: Wednesday, April 14, 2010 2:40 PM
To: Hazelwood, Cathy
Subject: Agency Gifts

Cathy,

The Commission will be considering adopting a policy next week dealing with the acceptance of gifts for all employees of the agency to share from organizations doing business with the agency. For example, during the holiday's law firms and insurance carriers give the cookies, fruit and other edible items to the agency, not one specific employee. The items are placed in the employee break room for all to share.

On other occasions local restaurants give the agency, again not one specific employee, a sample of their products for all employees. The expressed intent is to market their restaurant to the employees. The items are placed in the employee break room for all to share.

I would appreciate your unofficial opinion whether or not these activities in violation of the State Ethics Act?

Thank you.

Gary M. Cannon
Executive Director
SC Workers' Compensation Commission
1333 Main Street
P.O. Box 1715
Columbia, SC 29202-1715

4/14/2010

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon 

DATE: April 13, 2010

RE: Employee of the Year Award

May 3-7, 2010 is National Public Employee Recognition Week. State Employee Recognition Day is Wednesday May 5th. In the past we have recognized employees with service award pins and awarded the Employee of the Year at the Business Meeting in May. This was followed by a luncheon for all employees to thank them for their service to the agency.

The agency adopted the policy establishing the Employee of the Quarter/Year (Policy 2.29) in June 1990. Several internal and external environmental conditions now exist to cause us to re-evaluate the program.

Therefore I recommend the following:

1. Continue the all employee luncheon immediately following the Business Meeting in May to recognize all employees for their service to the agency.
2. Suspend awarding the Employee of the Year Award for one year to allow us the opportunity to evaluate the program with input from the all employees.
3. Award the service pin awards at the employee luncheon so that all employees may participate in the presentation.